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De Leon-Berry

Debate

Solution of the Trust Problem

DANIEL DE LEON

Late Editor New York Weekly People,
Presenting Socialist Side

WILLIAM H. BERRY

Ex-State Treasurer of Pennsylvania,
Presenting Small Capitalist Side

PRICE 10 CENTS

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DANIEL DE LEON.

De Leon-Berry Debate

ON

Solution of the Trust Problem

*Held before the University Extension Society,
Philadelphia, January 27, 1913.*

BETWEEN

*Daniel De Leon, Late Editor of The People
and*

Wm. H. Berry, Ex-State Treasurer of Penna.



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**NATIONAL EXECUTIVE COMMITTEE,
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1915

That this [socially necessary labor time] is really the foundation of the exchangeable value of all things, excepting those which cannot be increased by human industry, is a doctrine of the utmost importance in political economy; for from no source do so many errors, and so much difference of opinion in that science proceed as from the vague ideas which are attached to the word value.—David Ricardo.

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ERRATA.

- 1.—On page 7, line 15, the word "presentation" should read "problem."
- 2.—On page 19, line 2 in the second speech of Daniel De Leon, the word "Socialistic" should read "Socialist."

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PREFACE

The debate, the report of which is contained in these pages, was held before the University Extension Society of Philadelphia on January 27, 1913. The debate was reported stenographically and is published without either of the participants having read or revised the manuscript. There are therefore necessarily some rough places which appear, which otherwise would have been smoothed out. Such places, however, are very few, and should interpose no difficulty to the reader.

The debate itself, which was supposed to be on the "trust problem," soon turned into a debate on Capitalism versus Socialism, as it inevitably had to do. The trust problem is but one of the many manifestations of a social order which is seriously out of joint, and as none of the manifestations or social phenomena can be grasped without understanding the law of value, the debate soon resolved itself into a debate on value, supply and demand, and the various corollaries. Mr. Berry, though an able and skilled debater, soon "dashed his head against it," [the law of value] to use an expression of De Leon's.

As for the rest, the debate is interesting for the participation of two able and scholarly men, and it has interest beyond the exigencies of the moment, since the battle will continue to rage, with the "trust problem" more aggravated, with the condition of the working class becoming worse and worse, and with that class which Mr. Berry typifies, the middle class, being ground into powder between these two millstones in society.

The booklet is herewith commended to the thoughtful student and reader.

The Publishers.

De Leon-Berry Debate.

CHAIRMAN'S ADDRESS.

STEWART WOOD.

The University Extension has adopted this year the practice of having debates on subjects of political and public interest, something a little different from the lectures of former years, and tonight presents to you in juxtaposition two subjects, both of which are certainly live topics, those of Socialism and the trust problem.

I can remember nearly forty years ago, when I was a young man in Berlin, visiting some of the "revolutionists of the chair," as they called the professorial Socialists of that time, and one of them saying to me, "You will be having Socialism in America soon." I was a little disposed to scoff at it. At that time Socialism, as it was understood in Europe, was a thing practically unknown here. We did have a gentle kind of Socialists, who in a way were very logical. They formed little communities of their own, where they withdrew quietly from the world to lead their gentle lives according to their own theories. Such were the followers of Robert Owen, the Shaker Settlement, the Brook Farm, and so on. Those examples will always prove and remain classical examples, both of some of the fine points in human nature to which Socialism does make an appeal, and also of the practical difficulties which exist in human nature for making it a success, and for which the Socialists will have to find some remedy if their views are to prevail.

We have with us tonight a Socialist of a very different type from those I spoke of as having existed in early days in America. He does not come to you with a torch or with dynamite, but he does come bearing radical views of philosophic Socialism. I take pleasure in introducing to you Mr. De Leon, of New York.

DIRECT PRESENTATION.
DANIEL DE LEON.

Ladies and Gentlemen:—

The subject I was invited to discuss here tonight was the solution of the trust problem, and as I am known to be a Socialist I realized that I was invited to present the Socialist position, which is the Socialist solution. I am not forgetful of the fact that I am speaking here under the auspices of the University Extension, and that my audience may be supposed to have enjoyed the advantages of college training. We who have gone through college are aware that words cannot be understood unless we go to their roots. It is with words and terms as with a ship. The ship is anchored, but according to the streams and the winds it may drift to the north or to the south of its anchorage, to the east or to the west. By following the anchor we ascertain where that ship is anchored. It is so with terms, especially with so-called technical terms.

The word "trust" is a technical term. It has a surface manifestation. It cannot be approached, it cannot be understood, let alone the solution therefor presented, unless we trace that word down to the anchor which the term is fastened to. I shall therefore invite your attention to an argument. I do not come with rhetoric. I do not come with oratory. The times are serious, very serious, and it is thought that is going to help us out. The anchor on which the trust question is fastened is that law of political economy known as the law of value. I wish right here to say that that law has been fought by all the elements of modern capitalist society, and they have dashed their heads against it. But at such critical moments as the Bryan campaign of 1896 it was to that law that they had to cling for refuge, and it was a page from Socialist literature that furnished the excellent speeches with which to overthrow the Bryanistic absurdity of free coinage of silver regardless of international trade.

What, then, is that law? I see no blackboard here, and I shall have to make my illustration short. It must appeal to your memory. The law of value establishes that merchandise has a

value according to the amount of labor power crystallized in it and socially necessary for its reproduction. That is inhesive, and yet much depends upon the correct understanding of that position, because that law is the social dynamo that is causing the upheaval throughout the civilized world. To understand that law, I shall give you an illustration.

Take yourselves back some hundred years when this country began its independent career. Imagine a person weaving cloth here. She wove cloth with an old-style loom, that is to say, old-style compared with what we have today, a loom that they then had. You want to suppose that the person wove one yard of cloth a week. That was doing pretty well. The labor socially necessary to produce that yard of cloth was one week's labor, and that week's labor crystallized in that yard of cloth rendered the yard exchangeable with any other commodity that required an equal amount of socially necessary labor. You want to suppose that it took just one week to produce ten bushels of potatoes. You see the subject is a commonplace one, and it is well for you to realize the beauty of these commonplace facts. Then it follows from the law of value, that one yard of cloth was the equivalent of ten bushels of potatoes in the market, and that one yard exchanged for those ten bushels, and vice versa.

But the progress of machinery presently enabled some one to produce two yards of cloth during one week. The consequence was that the exchange value of the cloth was no longer one week's labor but half a week's labor, or one yard of cloth was equal no longer to ten bushels of potatoes but was equal to five bushels. The exchange value being determined by the socially necessary amount of labor crystallized in the production of those commodities, rendered lower the value of the cloth; and the producer of the cloth, who before exchanged that one yard for ten bushels of potatoes, was compelled, if he wanted to have potatoes, to exchange his yard no longer for ten bushels but for five, because no longer was the whole week socially necessary to produce it. Someone else was producing cloth in half the time.

To make a long story short, as the machine or the tool of pro-

duction improved, the time came when during that week no longer one yard of cloth, no longer two yards of cloth, but 1000 yards of cloth were produced. The time necessary to produce potatoes not having changed,—and if it had it would come down to the same thing,—the time necessary to produce 1000 yards of cloth having been one week, it follows that 1000 yards of cloth are equal in value to the ten bushels of potatoes, so that he (or she) who was producing with the old-style loom and could only bring forth one yard during that week, had to limit himself to the one one-thousandth part of one bushel a week, in other words, had either to starve or throw the loom on the scrap heap and go out and sell himself as a wage slave. That is the law of value. As I said before, capitalism and its professors have been trying to overthrow it, and wise they are to try to overthrow it, because that is the central point that, once understood, all chimeras drop; that, once understood, all halfway measures are appreciated at their real value.

Under the social pot from which issues the trust there is this law, and all of you who have understood the comparison I have just made will be able to follow me when I come to that improved method of production which is known as the trust today.

The trust must be stripped of all its accidental circumstances, such things as watered stock, such things as agreements between gentlemen or non-gentlemen, such things as chicanery and bribery of politicians. These are poultices that help the thing along, but they are not characteristics of the thing. To understand the thing we must eliminate all these, and what we then see in the trust is a contrivance of production which carries out that evolution I mentioned before with regard to the loom, and carries it to a state of perfection that we may almost consider final. The trust is that device, that tool of production, which, incited by the law of value, enables production to be carried on more and more plentifully, with less and less waste. The trust, accordingly, is essentially a contrivance of production, a tool of production.

How is that problem going to be met? Just as soon as that re-

markable tool presents itself, that gigantic tool that enables production to be carried on with so much swiftness, with so little waste, just as soon as that tool presents itself on earth a new issue also presents itself, or rather is seen. The question of the history of the tool is civilization turned out. The tool of production is the yard stick by which to measure the advance of man from the earliest savagery to his present condition. The human being is the only one that is born toolless, and therefore helpless. Every other animal is born with implements it needs to grub its existence out of nature. The meanest spider has all it needs. The smallest rat has all it needs. The eagle has his beak, the tiger and lion their fangs and claws, the beaver that remarkable tail of his.

Go through the whole gamut of animals and you will find that each one of them is born supplied with the tool that it needs. Man alone is born toolless, and at that stage of his existence he is the most helpless of all animals. He is the sport of nature. Nature has her foot upon his neck, makes him her toy, afflicts him with drouth one day and drowns him with flood the next, one day blesses him with abundance and the next afflicts him with dearth. No animal goes through that experience. Man does, and he rises from that by slow degrees in the measure that he fashions the tools with which to fight nature. With his bare fingers at first he has to eke out his existence. Presently he places his hands upon the tool, and with the tool, perfecting it by little and little, he reaches that point which is the point that civilization has advanced to, the point when wealth can be produced so abundantly and with so little toil that all the citizens can enjoy the leisure with healthy exercise which only affluence can afford. That being the case, that the tool is the weapon for human freedom and the perfection of the tool is the symbol of the capability of the human race for freedom, it cannot be denied that the element of society which today has no tool of production is no better off than our barbarian and savage ancestors 25,000 years ago.

The working class today is toolless. Their tool is owned by

the class that has appropriated it, by historic methods that I shall not here go into. At any rate, the history of the tool establishes this principle, that the tool is the means for human emancipation from the thrall of nature, and he who owns that tool is a free man. He who does not is a slave, originally of nature and now of the class that does own it. When we see and weigh that position, then we are enabled to approach the subject of the solution of the trust. We have here a giant that is instinct with good, and yet, seeing that it raises such a rumpus, it evidently does harm. How is that problem to be solved?

Right here a number of propositions present themselves. I shall take up only those that recognize the significance of the tool, that is, those propositions that somehow or another stand planted upon the law of value. One proposition we will call the proposition of love and affection and habits of thought. It sees the trust redounding to the benefit of the few. It sees the millionaire heiresses multiplying and purchasing nobility for their husbands, while the masses of the people are in deplorable and increasingly deplorable salvery. That element sees that the political government is helpful to the trust. That element says, "Smash the trust." It says, "Let us return politics to the people." Those who propose that solution do not understand the meaning of a tool. If the trust were to be smashed it would mean sending us back to that stage where the abundance of wealth was not producible without excessive toil, where the abundance of wealth was not possible in quantities large enough to afford well-being to all. Those who propose to smash the trust recognize the power of the tool, but do not understand its mission. To those we say, the trust cannot be smashed because all the powers of civilization are making toward promoting the operation of trusts. We say, even if the trust could be smashed we should not smash it, because by smashing it we would throw civilization back.

Another proposition is this, control the trusts. This element recognizes that the trust is valuable, but it says, "It does do some mischief. Let us legislate around it." Twenty years ago

when that proposition was first presented, we Socialists showed that it was impracticable. Today no one should deny the impracticability thereof. To control a trust is like controlling a tiger. To control a trust is to make believe, because the practical result of all attempts to control the trust has been to have those laws broken. Attempts to control the trust resemble an attempt to hold back a fiery horse by the tail, with the only result that the laws that are passed to control the horse are kicked to splinters, and the splinters serve no other purpose than as pastry for corporation lawyers to grow fat upon.

Now comes the third proposition. That comes from those who realize that the trust must not be destroyed. It comes from those who realize that the trust cannot be controlled. They propose to nationalize the trust, and that is the scheme that has the abnormal name of State Socialism. The trust presentation throws its light upon this development, that today has reached that point where the political government must be overthrown, when legislation cannot and must not be conducted by an organism that is separate and apart from the productive capability of man. Congress, the President, and all our judges may die tomorrow and not a wheel of production would stop running. That sort of government is political government.

It is said that the solution of the trust lies in the overthrow of the political government and the institution in place of the political government of the industrial government, the government made up of the representatives of the organized industries of the nation, the wiping out of the state lines, and the institution in lieu of the state lines of the industries. Instead of having the state of Pennsylvania we would have the industry of railroads, the industry of mines, the industry of weaving, the industry of food production, and so forth; and the representatives of those industries, representing the working people in those industries, would constitute the government, and that government would then own and control those instruments of production that civilization needs. But State Socialism, which is justly called half-baked Socialism, would put into the hands

of the political State, the State which consists of capitalists, the management of industry. In other words, it would put in their hands additional powers to tyrannize the people.

If I have any time left I wish to sum up in a few words. Socialism demands, as the only solution of the trust problem, the overthrow of the political State and its substitution with the industrial State. It demands this because the trust should not if it could, and could not if it would, be destroyed; and the trust cannot be saved for the people unless the people own it and control it through those who work, and not through politicians, whose only mission in civilization has been to keep the working class in subjugation.

In closing, I hope that my opponent, if he opposes this conclusion, will state whether he accepts the law of exchange-value. If he does not, why not? If he does, how can he deny the inevitableness of the perfected tool of production? If he does not deny that, how will he explain that course of civilization which Lewis H. Morgan, the leading American writer on ethnology, has proclaimed the future of society; namely, that social institutions and social associations will overthrow the political State and establish the industrial State. You have come to listen. I can assure you that no one will listen to my distinguished opponent with greater attention than I, and as I have no hobby to serve, and this one purpose: to promote that system of government that will enable man to have what belongs to him, that will enable woman to enjoy her dignity, that will enable childhood to enjoy its pleasures, if my distinguished opponent can bring any point of reason to overthrow my position, no one will be more thankful than I to hear it.

CHAIRMAN.

STEWART WOOD.

Ladies and gentlemen:—

You have undoubtedly listened with interest to this scholarly statement of the views of the Socialist scholars, and we will now listen to a presentation from a gentleman who has been a

captain of industry and is a captain of industry himself, and has been operating under conditions of individual management of industry. I need not introduce one to you who is your neighbor, and who has played so conspicuous a part in restoring the self-respect of Pennsylvanians when they think of their state government. I have the pleasure of introducing the Honorable William H. Berry.

FIRST PRESENTATION.

WILLIAM H. BERRY.

Mr. President, Ladies and Gentlemen:—

I am extremely gratified to have had the opportunity of listening to the presentation of the argument that my friend has advanced. I am extremely sorry that I am compelled to differ with him at the very outset. I would like to go along with him as far as I can, and I think I will begin at the back end of his address, in order that I may go with him a while. I join with him, and with every Socialist who complains of the injustice of existing conditions. I am not here to make any apology for the rank and gross injustice that is rife throughout our civilization, but when it comes to the matter of presenting a remedy, a way out of those difficulties, I feel myself unable to follow the reasoning of any of the Socialists. I was in hopes I might find something on the part of the brother who has just spoken that would be essentially different from anything I had previously heard. I have, however, been disappointed in that particular.

I want to preface my remarks by his statement. Mr. De Leon assumes that commercial or exchange value is determined by the cost of production, by the labor concentrated in the production of an article. I am compelled to deny that statement in toto. The cost of production does not now, never did, and never can determine exchange value. It never did, does not now, and never can do it. The thing that determines exchange value is the law of supply and demand. The amount, the quantity of a product which is offered in the market in exchange for other

things, as compared to the quantity of other things which are offered in exchange for it, will determine how much of one will go for the other, absolutely regardless of what it cost to produce either one. Cost of production ultimately, in the long run, and in those things which come to be of daily use, will have a controlling influence upon the quantity of products, but until it does it is absolutely powerless to determine anything in regard to exchange value. It must first work upon quantity before it does anything at all with the value. That is in harmony with the profoundest philosophy of human life. If it were not so, it would not have persisted through all the ages. These things which persist age through, age long, you may take for granted are ingrained in the very system. The reason that that is true is because the ideal man is a free man. Patrick Henry said, "I do not know what course others may pursue, but as for me, give me liberty or give me death." Put me off the planet if I cannot be free. I never recited that old speech when I was a boy that it did not go from center to circumference of my entire being. I believe it to be true, and man is impossible without freedom.

There is no merit or demerit possible in any action that is not volition. I care not how exemplary one's conduct may be, if it is not from choice there is no merit resident in it. I once addressed an audience of 1,500 men. The most exemplary conduct I ever saw was practiced by them, universally, absolutely up to date, every one of them in every particular. I could not find a single fault with any of them. They were in the Eastern penitentiary. There was no merit in anything they did. They did it perforce. So I hold that in order that we may have a man at all, we must have a free man, a man who makes choice.

Now, we come into this world, all of us. This world is the environment, this land, these natural opportunities, are the environments of our existence. Two things, of course, are always to be considered in the development of any living organism: heredity and environment. I would like to take time to trace the heredity of this race to where I believe it originated, in the

mind of the Eternal God. I differentiate between a man and any other creature, not on the ground of his being toolless when he comes into the world, but on the ground that he has the stamp of Deity placed upon him, in that he is a free agent and shall determine for himself what he shall do and how he shall do it.

But we come into this environment. Here are a lot of tasks. In some places it is easier to work than it is in others. Some tasks are very pleasant to some people, not always to everybody. I know a fellow that would rather work around a plant, fool around with a spade, dig among the worms and raise flowers and vegetables, than do any other thing on earth. I would not. He has no competitor when it comes to me. I am not bothering with his job. There are other jobs I would rather do for nothing than to be paid for doing some jobs. Some things are more excellent to some people than they are to others, so that if we are to have free men, and if we are to have men who follow the impulse implanted by the Creator, if they shall develop in full, we must let them choose. If this fellow wants to raise flowers, let him raise them. But if flower-raising looks good to one fellow it is very likely to look good to somebody else. If there is no irksome feature in the task, if it is clean, wholesome, pleasant, a whole lot of people will likely choose that occupation. On the contrary, there is another task over here that is anything but pleasant. It has got to be done, but it is hard work. It has nothing attractive about it. There is more or less of dirt and discomfort necessarily associated with it. Some fellows may choose it. Some fellows may rather do that than do the other, but most of us would not. So as a consequence a great many people will choose the less irksome task, and very few people will choose the more irksome task.

As a consequence, flowers come into the market in great quantities, not in great abundance because they can raise a flower quicker than this fellow can wheel a wheelbarrow of stone. Not so. It is not the case at all. The labor involved may be the same, but a whole lot of people want to do this par-

ticular work. They do it in abundance and come forward with flowers in great abundance. This other thing over here, which is extremely necessary, but which involves irksome effort, comes scarce, and as a natural, necessary, inevitable consequence, flowers, no matter what they cost in the way of effort and time to produce them, will exchange, a whole lot of them for very little of this other thing on the other side. That is the natural process. If left to itself the easy job will always get the poorest pay. The hard job will always get the most pay. That is what ought to happen, but I ought to be perfectly free to choose, so far as I am concerned, which of those jobs I will work at. That ought to be left to me, not to you or anybody else. It should be a matter for me to determine. That is one thing I insist upon. I am going to choose my job. I would rather starve at certain occupations than be a millionaire in some others. I insist upon it that I can only do my best work and only rise to the highest possible levels for me to attain when I have chosen congenial employment, no matter what it is.

We have the trust problem confronting us. What is the matter with the trusts? I have no fault to find with the trust on account of its size; not at all. I have no fault to find with the trust on account of its efficiency; not at all. I am perfectly satisfied that up to a certain extent the assembling of large capital and widely co-ordinated effort into some one industry, results, just as my friend here has said, in some very desirable and very proper things. I would perhaps define it a little differently from the way he does. I would call it more a manifestation of the division of labor, the specialization which goes on and marks it, as he says, as the index of human advancement, not exactly and solely the improvement of tools, but largely the improvement of the skill and ability due to specialization and the direction of the effort of the individual in some one direction.

If there is anything the matter with the trust, what is it? There is only one thing. There is only one characteristic of the trust that I think we want to try to get rid of, and that is the one thing that strikes at the very heart of humanity, monopoly. That

is all. What is monopoly? Let me give you a definition. Monopoly is anything in existence, man-made or natural, that prevents the free flow of effort into any channel of production. That is what it is and that is all it is, if by any process whatsoever it prevents the free flow of effort. I mean freedom to flow to any channel of activity you please. What is its opposite? Competition. What is competition? That is the thing that is at the bottom of the trust proposition which I am opposed to, and which I think the thoughtful mind of the time is determined to eradicate. Monopoly, the miasma. It is the cankerworm that is at the bottom of this entire situation. It is responsible for every evil with which we are afflicted.

Let me in just a few minutes illustrate its operation. It has its special field of operation in three particular directions. In the first place, in land, using the term in the broad sense which takes in all natural opportunities. Suppose, for instance, we get before us a community that we can see all around. Crusoe alone on his island, of course, is obliged to do everything for himself. He is jack of all trades and master of none. He never knows how to do anything well because he has so many things to do he never becomes master of anything. In consequence, the hats he makes are of no account. The shoes he makes are bunglesome and bother him more than they do him good, many times.

Let one hundred men assemble with him on the island. Now they specialize. Each takes up some one particular branch of production. One makes hats, another shoes, another coats, and so on. By concentration of effort, by study of the particular things of which he makes a life business, he becomes expert. True, he improves his tool, too. The tools are a factor and a large factor, but they are not the only factor. The improvement of the man is the most important factor, in my judgment. I have seen lots of tools. I was looking just the other day in amazement at the Mergenthaler type-setting machine, and I want to tell you it never set a type on earth and never will until there is a man there to handle it. There is a man involved in every one of these propositions. No matter how complicated the

tool is, there is a man, and his development comes about by his specialized attention to some particular thing. He becomes skilled. This man produces a hat in a day which it took old Crusoe a week to make, and it is a far better hat than he ever had. This man produces a pair of shoes in a day that it took Crusoe a week to make, and better shoes than Crusoe ever saw. But with the specialization of labor comes in immediately the necessity of exchange of products. The shoemaker cannot wear shoes all over him. Our feminine friends nowadays seem to be able to wear almost any old thing in the shape of a hat, but there is a limit even to the power of our lady friends to wear everything on earth on their heads. He cannot clothe himself entirely with this particular thing, so he must exchange products with his neighbor.

I want to stop right here for a second and illustrate one of the things which doubtless my friend will raise. He has not raised it as yet, but every Socialist I ever heard talk does raise it; that is the question of profit. I want to show you that this hat maker, bringing a hat over to the shoemaker, will say, "Here, will you trade even?" Enough said, they trade. The hatmaker going back with a pair of shoes, chuckles to his neighbor, "Look at the shoes I got. I got a pair of shoes here I could not have made in a week, and got them for a hat I made in a day. Look at the rake-off I got on that deal." The shoemaker, going home to his chum, says, "Look at the hat I got, a good hat I could not have made in a week. I got it for a pair of shoes I made in a day. Look how I skinned that fellow on that deal, the tremendous profit." Both of them got together and exchanged products.

Some Socialists seem to think one of the great evils against which we labor is profit taking. I do not. I want to tell you that profit taking is the grandest thing in the proposition. I want to tell you that civilization today, and all that beautifies the earth today, is accumulated profit. Had there been no profit, this building would not have been here. All that is accumulated is profit, and it does not scare me after it gets in that position. Our Socialist friends call it capital, and get awfully scared when they get to calling it that. I am not afraid of it at all. The only

trouble about it is that too few people own it. It is the segregation of it in the hands of a few that is doing damage. How has it been done? In almost every single instance through the operation of monopoly somewhere in some shape or other. So that when I am seeking a remedy for the trust question, I want to go to the root of the matter and bring up monopoly.

Suppose in the primitive community of ours, by some process or other, the shoemakers got hold of the section of land that raised all the leather, and there could not be any leather raised anywhere else, and that society had been harnessed with some kind of agreement that gave the owners of that land the title in fee, so that they could say to everybody else, "Keep off!" Don't you see that, the population growing, it would all have to concentrate in the hat and coat business and elsewhere. But the shoe business would be cutting out the shoes in the old quantity, and hats coming out in double quantity, one pair of shoes would get two hats. They would have the same labor, the same effort, but the monopoly that surrounds this shoemaking industry, that prevents the free flow of effort into that channel, simply banks up an artificial value by operating on the quantity, entirely indifferent to the cost of production.

By that process, the monopolization of natural opportunity in the first place, we have permitted a few of our people to absorb all the profit of all our industry, while the great mass of our people have very little, and we are fulminating against the trust because of the name of it in some cases, and for various undigested reasons, but at the bottom the one indictment we can bring against the trust is that it prevents competition, for it is not a trust in any hurtful sense until it can prevent competition, and when it can then it has got us by the throat, and until it can it is as harmless as we are. I propose that the monopoly in natural opportunities shall be destroyed; not remedied, but absolutely destroyed. I do not believe that title to a single square inch of the face of God's green earth can be justified anywhere today. There is not a single title of record today that cannot be traced back to some physical giant that either murdered the man

who had it before, or drove him off of it, and kept other people off by force, and took it and wrote the title to it in the blood of his fellows.

Second, transportation. People cannot exchange their products unless they can get together. If there is a chasm between the shoemaker and the hatmaker they cannot produce as specialists. They cannot do it. They cannot improve. Improvement there is impossible. This man must go back and do everything, and then he never does anything well. Suppose I am permitted by the community to open a road and build a bridge across this chasm, and then I am permitted to sit there and collect toll from the fellow that crosses this way and the fellow that crosses that way. I will get them coming and going, both of them. If I am given a monopoly of transportation, unless there is free entry of competitive effort in the transportation of goods, the segregation of all the profits on all the industries of people that cross it will finally land in the pockets of the toll-gate keeper. So that I will direct your attention, second, to the evils of the transportation system.

There is no evil in one of these magnificent locomotives that pull a hundred cars across the Rocky Mountains; nothing wrong about that, nothing wrong about one thousand or ten thousand miles of railway; nothing wrong at all about any of it except monopoly. Whenever you get down to where the prevention of competition enters then the devilment enters, so that your attention should be directed to the dissolution of the monopolistic features of transportation, whatever they are. Open up competition upon it. It is the one thing that will cure the situation. There is still another. This is one I wish I had about an hour to talk about. It is not the primary one in point of historic precedence. It is not even secondary, but while it is tertiary in point of historic sequence, it is primary in point of momentary imminence.

I went into the Eastern penitentiary on the occasion I told you about. They led me through the outside gate and locked it. We went on in. They let us through the gate of the building, took us through and locked it. We went on in. They took us to an

inner cell apartment, unlocked that, let us in and locked it behind us. There we were with a threefold lock between us and liberty. Suppose we had begun to fulminate and say, "Here, the thing that is troubling us here now is the outside gate. It is troubling us. We are not going to get away until we open that gate." Suppose we had said, "It is the gate to the main building that is troubling us. We are never going to get out until we open that." But we will never get to those gates until we unlock the cell door first. The thing that is right next to us, the thing that has got us in such an iron grip today, is the monopoly in currency. That is the thing we are up against today.

I want to make this statement here and now, without fear of successful contradiction, there is no unwillingly idle man on God's green earth today that does not owe his present inability to find work at profitable wages, wages representing every particle of product that he himself produces, to the monopoly of currency that exists in this country today. I am prepared to defend that proposition at length and show you very briefly how it works. We come finally to changing these products around, and pick out one of them as the most convenient for a medium of exchange, the current commodity, so to speak. By and by we attach the power of law to it, and say, "If you owe anybody anything this is the thing that you have got to get in order to pay it." The minute you do that you do not set up monopoly there, but you make possible the most dangerous monopoly that confronts the race. Why? Simply for this reason: When you have done that you have set by law a monopoly which prevents the free flow of effort into the production of this particular commodity, which alone in all the scope of our product is empowered to cancel debt. That is, the only way you can get away from a creditor is by coughing up the money. I do not care what else you have got, get the money or you cannot get away from the creditor. Whenever you make it difficult to produce the money, then you make it difficult to get away from the creditor. Let us see where that leads you, especially taking this great jump my friend is obliged to take, down to the present time, where this

great institution of currency has come to be one of the equivalents in every exchange.

One-half of the things that pass from hand to hand in the world is currency, and when that comes to pass and you are producing a locomotive, for instance, it is very interesting to see. Visit the Baldwin locomotive works. There is a magnificent locomotive, weighing 150 tons, representing the labor of probably thousands of men. Probably a hundred thousand men in different ways had something to do with the manufacture of that great machine. There it was, ready to be put on the market. There was not a man that had anything at all to do with it from its very inception in the bowels of the earth as iron ore until its final delivery into the hands of the engineer, but what got a piece of money for his efforts. Labor, money. Material, money. Everything weighed against money in that proposition, so that finally when the locomotive was ready to be put on the market it owed the Baldwin locomotive works a certain amount of money, and that money must be secured for it or the locomotive works cannot run. Anybody that has ever tried to run a factory—I do not make locomotives, but I tell you I make mud-brick, and you cannot make such a simple thing as mud-brick without paying money to somebody every time you turn over in bed. Every time you have a brick made you have to get a certain amount of money for that brick when you sell it, or you are going to the sheriff. I do not care what your business is. What is it that determines the amount of money that I will secure for the brick, or that Mr. Baldwin will secure for the locomotive? Not the cost of making brick? Oh, my, no. Not the cost of making the locomotive? Oh, my, no, by no means, not now or ever.

The thing that determines how much money will be exchanged for the locomotive will depend entirely upon the number of locomotives that are in the market offered for money, as compared to the amount of money, on the other hand, that is offered for locomotives. That is what will determine how much the locomotive brings in the market. Then you discover, as every

manufacturer in the known world has discovered over and over again, that if you let your people work all the time in the locomotive shop or in the brickyard or anywhere else, you will get more of this kind of stock than that fellow is getting of his, and the first thing you know a locomotive costing you \$20,000 to make, you have to sell for \$15,000. Then the sheriff looms up as big as the whole horizon. Your speed of money production is determined by law, and when you have limited that the necessity rests upon every man to limit the production of locomotives and of everything else, and lays back upon the whole race the necessity of restraining effort, and sets up something that people miscall competition. They tell me that the people who stand around the gates of the locomotive works fighting one another for the first chance to get in there and bidding against one another to get the job at a less and less wage, are competing. No, no, no more like competition than day is like night. That is war, and war is hell and nothing but hell, and there is more of it in that contest than there is in the clinch of armed forces, and it is set up solely by reason of the presence of monopoly.

SECOND SPEECH.

DANIEL DE LEON.

My audience will remember that I stated in the course of my opening that the law of value which Socialistic science has, is a rock against which the capitalist forces have wisely addressed their efforts. My distinguished opponent proved that proposition. I also stated that against that rock all opposition has dashed its head. I think I can prove to you that my distinguished adversary proved that point, too.

My distinguished adversary denied that law of value which says that the amount of labor crystallized in a commodity establishes its exchange-value. He said exchange-value is established by supply and demand. Now listen, men and women. If supply and demand establish value it follows, for instance, that if I pull with my left hand with 40-pound force and with my right hand

with 10-pound force upon a pendulum, that pendulum will lean toward the left hand. If I pull with my right hand with 50-pound force and with my left hand with 20-pound force, the pendulum will swing toward my right. Supply and demand means that the larger the supply in relation to the demand the lower is the value, and the lower the supply the higher is the value. In other words, if the supply is 50 pounds, which I take in my left, and the demand is only 20, the value would be toward my left hand. If toward my right hand the supply is 100 pounds and from my left side the demand is only 10, the price would be so much lower because the supply is so much higher. All right, but suppose supply and demand cancel each other. Suppose the supply and the demand are even. What becomes of value? Does it vanish? No. If I pull with 50-pound force that pendulum with my right hand and pull it back with 10-pound force with my left hand, the pendulum will oscillate to my right, but if with my right I pull with 10-pound force and with my left I pull with 10-pound force, according to that reasoning the pendulum would fly into the air. No, the pendulum will swing obedient to the law of gravity. The law of supply and demand explains nothing at all because if the elements of supply and demand equal each other, what becomes of value? That value is dependent upon the amount of labor power that crystallizes in it. I think that point is made clear.

My distinguished friend said that monopoly is the trouble. He said that monopoly means that the free flow of effort is prevented. I admit that, and I showed why—what it is that brings that about, namely, that law of industry that produces all that improved machinery, which excludes the man who has not got it. He said that competition is the remedy, that whatever promotes competition will destroy that monopoly. He said there is no trust until competition is prevented. Then he started to tell us what were the causes of monopoly. He began with land. It is true he mentioned railroads and it is true he mentioned money. The money subject is one which needs a special address, but he began with land monopoly and argued that if a person appro-

priates a certain portion of the earth that is the foundation of all monopoly. According to him, after having made that as a condition, money and railroads have not any rope left. If the ownership of land is what produces monopoly, and if the owner of that land can tell the other fellow to get off the earth, why cannot the owner of that land tell the moneyed man and the railroad man to get off the earth? That is the single tax theory, a theory which has to be taken separately and will be the subject of an address. All I can do in the fifteen minutes left to me is to puncture that bladder. I will show it to you.

I again repeat, I take it for granted most of you have had a college education. You know the language, the importance of language in determining certain facts and the significance thereof. It is through philology alone, language, that we can trace the stages of our progress. When our ancestors migrated from Asia, one branch went into Italy and another went into Germany. Philology tells us that. Philology may help in this case to prevent this absurdity of the single tax from extending any further. I say to you that there is nothing in that theory of land being the source of monopoly. Conjure to yourselves some of the leading Revolutionary Fathers. Conjure to yourself the most eminent of them all, Benjamin Franklin. Conjure before you the most brilliant, Thomas Jefferson. Conjure before you the profoundest, James Madison. Ask them, "Did you hear that so-and-so was land-poor?" Imagine the statement. They would not know what that meant. They would say, "Man, you are crazy. Land-poor is a contradiction of terms. He who has land cannot be poor." That was the condition then. Today we have the term land-poor, a term that shows that the thing exists, that a man can have land and yet be poor as Job. Between the land and natural opportunity has arisen the tool of production, the trust monopoly of production. Philology right here comes to our assistance and tells us of this change in conditions, of that change in conditions which existed at the time of the Revolutionary Fathers, when, land being all that was necessary, the term land-poor did not exist; whereas today, when land is no

longer the foundation for monopoly, when between land and natural opportunity has arisen the tool of production, that gigantic, perfected contrivance called the trust, land has taken a back seat. There was a time, according to the single taxers, when white parasols and elephants mad with pride went with the title to land. Today we have white parasols and elephants mad with pride that are no longer in the possession of the landlord. They are in the possession of the capitalist lord. He owns them, and the landlord has passed the sceptre over to the capitalist who owns the capital, and owning the capital, owns the land, because without that capital the land is inaccessible to him, inaccessible because of the law of exchange value that renders the labor of him who has not the necessary capital unproductive. That much for land monopoly.

As to the money monopoly, it falls together with the land monopoly. We had Crusoe referred to, a favorite authority with single taxers. I refer all of you, including my distinguished adversary, to the other works of the author of "Robinson Crusoe," namely Daniel Defoe. He wrote "Robinson Crusoe," but he also wrote "Dilworth." If I were a single taxer Crusoe would be the last man I would mention, because he reminds us of Daniel Defoe, and the mention of Daniel Defoe reminds us of his work which knocks the single tax sky high. I refer you to his great work, "Captain Jack." He was one of the grand men of England and was sent over here under indenture, virtually a slave, and had to work seven years for his master. But his master loved him and appreciated him and said to him one day, "Jack, you have served me faithfully for a couple of years. I don't want to have you to serve me any more. I have lots of land. Beyond is all the land you want. Go there and help yourself." The author of Robinson Crusoe says Captain Jack fell upon his knees before his master and said, "Master, what have I done to you that you treat me like that? What can I do without the implements of production? I cannot help myself."

Daniel Defoe is the man who knocked out the single tax. He lived at a time when that vagary came up, and it was perfectly

logical it should come up, because right here I want to say to you that taxation is a badge of servitude. He who taxes is master. He who is taxed is slave. The feudal lords owned the land, consequently the land was not taxed. The movable property of the bourgeois was taxed. When the bourgeois made a revolution they turned the tables on the feudal lords and said, "Our property shall not be taxable. Your land shall bear all taxes." Take any given land as a pledge, free that man, and leave capital in the hands of the capitalists, and the capitalists will have the whole sway. Listen to those who claim that land monopoly is the foundation of all. Do you think when a farmer puts a mortgage on his land he does so because he thinks a mortgage is like a flower-pot? No, it is the law of exchange-value that renders it impossible for him to produce, with as little effort, as plentifully as a fellow who has a reaper and other instruments of production. As he is bankrupt, he goes cap in hand. He, at one time the holder of the white parasol and elephant mad with pride, goes to the banker. The banker looks him all over the same as the feudal lord looked at the bourgeois. He asks him many questions so as to make sure. When that landlord, the owner of that foundation and groundwork of all monopoly, has passed muster with the banker, then the banker puts another rope around his neck and gets a mortgage whereby the banker becomes really the owner of the land and the farmer becomes his slave. He becomes a slave for the capital that the farmer needs to produce with.

I think I covered the matter of money. I have here a memorandum which I shall refer to for a moment. My friend said profit-making is the grandest thing in creation. Every capitalist will agree with that. The social revolutionist says, "Nay, nay; it is a crime." It was a necessary crime. It was a crime which was incident to that development of the tool until we reached the time when production was perfected by the trust. What is profit? Profit is that amount of wealth which the wage slave yields over and above his market price. If the workingman's market price is \$1 a day then \$1 he gets, and

profit is everything that the capitalist can squeeze out of him as use value. Profit means unpaid labor. Profit means that portion of wealth that humanity has sweated and which is found in the pockets of the few. It means wholesale and legalized theft, and how anybody can invoke aid in support of such a thing passes my understanding.

SECOND SPEECH.

WILLIAM H. BERRY.

I am very much interested in my brother's effort, especially in this matter of profit. I want to pay attention, however, to his illustration of the operation of the law of supply and demand. There is nothing so illustrative or so apt as a good illustration. The tug of war between two contending forces does not illustrate the phenomena of supply and demand, at all. What I wish to do is to give you now the real illustration of the law of supply and demand. It is not an easy thing to do. There are not very many operations that may be cited. That probably is the reason my good brother has skipped them all. I know of but one. It is the contention between the force of gravity on the one hand, which tends to pull a balloon down, and the buoyancy of the atmosphere on the other hand, which tends to raise it up. As the altitude of the balloon increases, the buoyancy of the atmosphere decreases by reason of the increasing rarity. Just so, as the value of an article increases, the demand gradually decreases by reason of the inaccessibility, the inability of men to compete for it, and if it were to rest in that position it does not go up in the air even then. It has a point where the equilibrium between the contending forces of gravity on the one hand, or supply, tends to pull it down, and the buoyancy of the atmosphere, paralleling the force of demand, on the other hand, tends to raise it up, and whenever they come to a balance there it rests. Some things will range higher than others, but the fact that they have a fixed place in the scale of values does not affirm for a minute that they are off the map. They are there just the same. They are there resisting two contending forces.

This would even be true of a couple of teams pulling on a weight with equal force. The fact that the forces are equalized does not take the weight off the map by any means. The weight is right there. The equilibrium of forces simply determines where the weight will rest. If the force on one hand is stronger than the other it will pull it over there, but the right place and the best place to bring it is in a vertical movement, because we usually think of things very valuable as being high. It is a mere matter of thinking, so the parallel might better be taken that way. The contention of the forces of supply and demand always did and always will determine the question of value, and the distribution of profit is the result of the contending forces of supply and demand.

As to the mal-distribution of the profits of industry, whatever my friend may say to the contrary, I think the profit upon anything is the difference between what it cost to produce it and what you get for it. That is the profit. The difference between what it costs you to make an article and what you get for it is the profit, and if profits were equally distributed there would be no trouble. The difficulty is that they are unequally distributed. I want to tell you that a man who has a factory and is not a landlord is in bad shape. The man who does not own the ground his capital rests on is in bad shape. If there is no other ground to take it to the landlord will eat him up. That is easy to see, but I want to talk about this mal-distribution of this profit. That is the whole problem. It is the law of supply and demand. In other words, it is the law of human freedom.

I want to tell you I would rather have some hard times and be free than live in luxury a slave. I have not any use for the slavery I see in the Socialist program. What is the trouble? This man has a factory. I want to tell you something. He is the most miserable of all men if he has to go into a labor market where the demand for labor is greater than the supply. Just think a minute. I have got a shoe factory. I want to hire men. I go out into the market where there are two jobs hunting for one man. Let that situation persist for any length of time in

your locality, and the first thing you know the working man will be making as much profit as the man that owns the factory and maybe a little more. In most cases today, even in this imperfect system, that is the case. I can cite you cases without number in which the workman gets more than he produces day in and day out for months together, and finally the sheriff takes the factory not infrequently. Seventy-five per cent. of people that go into productive enterprises get that handed to them before they are done with it. Seventy-five per cent. go to the sheriff. Why? Because the workingman gets more than he produces. When he fails to get it (and in the long run he does fail to get it), he does not get his own by any means. When he does fail to get it it is simply because the man who wants to hire him goes into a congested labor market where the law of supply and demand sets up conditions in which two men are hunting for one job, in which case always and everywhere the workingman will get the worst end of the proposition. He is sure to get less than is coming to him.

Why is there an idle man? That is the question. Most of the Socialists who have discussed this question with me attempted to tell us why. Mr. Kirkpatrick, I think, the last time he was here, told us the workman does not get all that he produces because he does not get all that he produces, and he showed it to us beyond peradventure that that was true. A man does not get all he produces because he does not get all he produces. I cannot see any sense in that and never could, but I can see the reason why the workingman is in a congested market, why two men are hunting for one job. Whenever a locomotive works sees that the price of its locomotives is going down, there is only one thing for the locomotive man to do to save himself from the sheriff; and that is to shut down the locomotive factory and stop making locomotives, stop building the product. That is what he does, and why does he do it? Not because we do not want locomotives. James G. Hill said not a great while ago the railroads of this country today need \$5,000,000,000 for extension of the railways of this nation. Thousands upon thousands of

locomotives are in immediate demand in this nation today, yet our locomotive makers dare not make them beyond a certain speed. Why? If they do the price goes down and the sheriff takes the locomotive works. That is the reason.

The land question is a fundamental question. The landlord is on the job; don't think he is not. But I am not here to tell you that the land question is the only question, by any means. I tried to explain to you that it is only the outside gate. It is the gate to the wall of the prison. You will never be free until you correct it. The gate that leads you into the prison yard and out of the building is the transportation question; but the cell door, the door that has got you in its grip at this minute all over the civilized world, is the currency monopoly. The money people have got you tied down until you cannot get to the outside door. The first thing you have to decide is, what are you going to do with this currency question? It is nothing new. Five hundred years before the dawn of the Christian era the Prophet Amos called down the wrath of Jehovah upon Israel because they had made the ephah small and the shekel great. How had they made the shekel great? By making it scarce, setting up monopoly around it. They caused the poor of the land to fail. How? By making two of them beg for one job. The same old story. It is as old as the race and just as potent today as it ever was.

Inch by inch the coils of this monopoly contract. The landlord even comes up to the banker. Why, even the landlord today when he comes up to the banker has got his hands full. He is up against it for fair, as the boys would say, when he meets a banker. I want to warn you tonight, my friends. I went to a moving picture show in Pittsburgh not a great while ago. I was not much interested in the moving pictures but they had a fellow that swung a lariat. I am always interested in that. I came from the Western country myself. He was the most expert artist with a rope that I ever saw. He stood his assistant on the back end of the stage and swung the lariat over and put it around his ankles and jerked it up, and then one half-hitch after another ran along. It flew over the assistant's head, like get-

ting a fish hook on a line, one half-hitch after another until he had every limb tied, and at last he wrapped it around his neck. I tell you the question here is the use of the rope in this atmosphere of ours today. Hitch after hitch, half-hitch after half-hitch, is coming and the final ringer they call the Aldrich Bill. Look out for it. If they land that it is all up. Let them land that final half-hitch and the poor landlord and the poor manufacturer, no matter who it is, his name is Dennis. He is finished if ever you allow that last hitch.

But what I want to get back to, for all these things are immaterial to me, is the proposition I started out with. Let me tell you unless we can have free men we cannot have men at all. I can see an inherent difficulty in the Socialist program, necessarily so. Grant that we shall own indiscriminately these industries. By some process or other you determine who shall run them. Somebody has got to do it. You have got to let us compete with one another for the opportunity to manage that thing, by which process alone in my judgment can you ever determine who is the best man to do it. The men best capable of doing it are doing it today. The men at the head of these great institutions got there, not in every case but in most cases, because they were the men of the hour. They got there by reason of qualifications, through competitive methods. Sometimes they did not, but after they got there they put it over us. How are you going to get it? You are going to get it in one of two ways. You are either going to let us compete for those jobs, or you are going to elect somebody at the head of the situation whose business it will be to say to me, "Berry, you run that thing. Brother De Leon, you run that one." "But I object." "Never mind, now. This has got to be run. There are not enough of these. You come over here and run it." You must either let me choose that or choose for me, one of the two.

That difficulty inheres in every fibre of the Socialist program. As a practical method of operation, you must either let me choose or choose for me, one of the two. If you let me choose, that is competition. That is human freedom. If you

choose for me that is slavery. I do not care who the chooser is. I do not care whether I help to elect him or not. I am a slave just the same. If there was any necessity for it I would submit to it, but I insist there is no necessity. I insist that all we have to do is to undo this monopoly that we have allowed to grow thus far and set our industries free. If a man is down in a well the way out is up, not down. The further you dig down the worse you get. Socialism leads you further down in this thing, for what is monopoly? What is the hurtful thing about it? Nothing but the infringement of human freedom, that is all. Nothing but the slavery of man is involved in monopoly. That we do not like. Monopoly is slavery to whatever extent it exists, and that is what we hate about it. When you begin to extend the system then you take away from every one of us the very thing that made the civilization of which we are so proud and which is our boast.

THIRD SPEECH.

DANIEL DE LEON.

My distinguished adversary denied my symbol of supply and demand, that is, the opposing forces, and said the real comparison is the law of gravitation as it affects things up and down. I will prove to you that that comparison of his will not fit, for the reason that the law of gravitation is a permanent thing, always there, always with the same force, whereas demand is not always there with the same force, and supply is not always there with the same force. Consequently, the thing that puts value upon them must be a thing that is changeable. What is changeable? Supply and demand, and I have shown with my illustration that the forces which I imagined, are changeable. The comparison of gravity will not hold water for the reason that gravity is not a changeable force. It remains permanent.

Number 2. My distinguished adversary said that profit is the difference between the cost of production and what you get for it. If that is true, then profit is cheating. If a thing costs me \$6 and I get \$20 I have stuck the purchaser. That is not profit.

The man who makes profit does not cheat the purchaser. He recovers the value of the goods that he sold. The one who is cheated is the workman. He was not paid, and the capitalist gets that swag. The other definition of profit is typical of the capitalistic mind. The capitalist actually believes that cheating is what does it. No, some capitalists cheat, but society could not last upon that basis. Capitalists give value for what they get, but the value they give for the money they get get is not the value that they pay Labor for. The workman is cheated. The workman does not get all his produce. Of course, not. The law of exchange-value, which is an illustration of supply and demand, only confirms the statement. That explains why the worker does not get all that he produces. The socially necessary tool of production is not his. That socially necessary tool is in the hands of a private concern, and it needs the tool which can produce as plentifully as the best; that is what is meant by the socially necessary tool. Since he has not got that he has to go and sell himself in wage slavery, and wage slavery means selling oneself as a commodity. The workman today is nothing but a commodity, and he gets his price, which is determined by supply and demand—the price, not the value. His value is vastly higher, but his price is determined by supply and demand. The tool throws more and more capitalists out of the capitalist class into the lower class. The supply becomes larger. The demand does not rise in proportion, and the workman does not get what he produces.

We have been told Socialism is slavery and the workman makes more than the capitalist. How could there be a capitalist under Socialism? It is like telling us through the Revolutionary days that there would be no freedom in America after King George was kicked out, because the Revolutionary Fathers and the citizens of these colonies would be trampled upon by the British Crown. How can the British Crown trample after it is kicked out? When the capitalist class has been abolished by appropriation by the people of that which by right is theirs—that which they cannot exist without except as slaves of the capital-

ist class—then for the first time in creation a revolution takes place in which the victorious class will not hang that class which it overthrows, but in which it will enable that class to earn an honest living by going to work. I realize there is nothing for the capitalist. I realize it seems almost like servitude to him that capital cuts no figure, but he will be given an opportunity. The revolutionary class will do that.

When my distinguished adversary says many workmen get more than the capitalist, I would like to know if he will accept my amendment. Many a capitalist cannot continue to skin his workingmen of part of what they produce, although he is getting more. I admit it. That is so because that capitalist is producing with tools inferior to other capitalists and he is ground between the upper and nether millstones. The capitalist's tools fail to produce as cheaply as those of the other capitalists, and the result is that he cannot continue to exist. He goes into bankruptcy, but it is not because the workman got more than he. There is no such capitalist in existence.. If you find any such in Philadelphia my advice to you is to grab him, pinion him and put him in a hall on exhibition.

We were told a good deal about money. My distinguished adversary gave up his theory that land was the foundation of monopoly. Instead of being the foundation it was the back gate. I congratulate him on the progress he has made. What is money? I cannot go into that broad subject. Money is a necessary thing under a social system that produces for sale and not for use. Given that production for sale, with the law of value working under it, and you must have money, and you kick against that as a barricade. The ground and foundation of the theory which I mentioned was this private tool of production. Remove that and there is no money anymore. Money vanishes absolutely, such a thing as metallic money. We saw yesterday that about \$5,000,000 of gold coin had to be shipped bodily to the Argentine Republic. Such a thing is evidence of the absurdity of our present social system. It is not gold used for the arts or sciences.

It is gold used for exchange, and exchange under this condition has to be by means of money with all the evils my friend referred to. Remove that method of production, overthrow the political State, establish the Co-operative Commonwealth or Industrial Republic, and money collapses as completely as I would drop to the center of the earth if this stage broke down and a vacuum took its place, leaving me down below. There is no sense in animadverting on money. Of course, it is bad, but how foolish it is to scratch at a pimple that has broken out on the hand that is getting more and more sore, instead of making the blood healthy, so that the pimple will disappear. You can go on picking at that pimple as much as you like, you cannot pick it out. Money is one of those pimples on the social body.

My opponent says unless we can have free men we can have no men at all. That I accept. The question is, what is freedom? Freedom is that condition of society in which a man can work when he pleases, at what he pleases, and keep all that he produces. The great way to get that is to overthrow the political State and establish the Socialist Industrial Co-operative Commonwealth. Today there can be no freedom. Money and the banker are necessities of the capitalist State. Today men are slaves because they produce more than they get. That is the condition of slavery, and of course, under those conditions we have no men. That is why we have this condition of unrest in the country.

The men at the head of institutions today we are told are men who know best. I would like to know what man at the head of an institution is doing any work. I have looked into that question. Very few of the institutions of the land that are worth mentioning are not run by wage slaves. Some get pretty good wages and others lower wages, but the men who own the institutions are not running anything. They are spending their time in Europe with fast horses and faster women. They are wasting their substance. They are not running the country or the institutions. Those who do run the institutions are small bourgeois who are still trying to save themselves, but the big capitalist will take care of them.

As to his plan of Socialism, I cannot see any Socialism but as I have described. I can assure you that if Socialism were the kind of thing my distinguished friend perhaps thinks it is, the thing which he described, I would not advocate it. It is all the single tax theory we have heard so often, that under Socialism the State will order me what kind of handkerchiefs I shall use to blow my patriotic nose with. Socialism is nothing of the sort. Under Socialism the opportunity for work is there and no one can live unless he works. People will go to work. A man will be anxious to work two or three hours a day gladly if he is going to keep all that he produces. There will be no danger of anybody dictating to him. He is going to choose for himself.

THIRD SPEECH.

WILLIAM H. BERRY.

I shall refer for a moment to what my distinguished opponent thinks is the exceedingly insignificant currency question. It amuses me. I apprehend that when he will have amputated that excrescence he will discover himself somewhat in the condition of the young surgeon who had a very important case. The patient had a tumor, and he performed an operation and removed it, and he was bragging to his fellow professionals on the subject. He told them that the tumor weighed 120 pounds and the patient only weighed 60 after the tumor was removed. He was asked, "Did you save the patient?" "Oh, no," he said, "I saved the tumor." I rather fear after this currency proposition is eliminated that you will discover that it is something more than a mere experience.

If under the Socialistic system you are permitted to choose your employment, you will undoubtedly find that the easy jobs will be over-chosen and the product will become greatly abundant, and that your fancy notions of the labor value will disappear. Competition will get its nose in the tent, and before you know it the whole canvass inside your Socialistic system is gone if ever you let fellows compete for a job. If you let me choose my occupation

I am going to choose the easy thing. You can depend on me for that. I will choose the soft thing. I think a whole lot of other fellows will choose the soft thing, and just as sure as the soft thing is over-chosen just that sure the soft thing will be over-produced. Just that sure it will lose value in spite of everything you can possibly do or say. If you let that proposition into your game at all it is absolutely gone down the winds.

I put this proposition. I put it to this audience once before. I think I will do it again, it is so apt. My brother has five minutes in which he can refute it. Freedom is impossible under a Socialistic system. We have got to have beef cattle. We are going to get them in one of two ways. Either we are going to let people who feel like it choose to raise cattle, or we are going to elect somebody by a 51 per cent vote whose business it will be to pick out the people who shall raise cattle. I do not care which it is, but you are going to do one or the other. My theory is that you must let us choose to raise cattle and take the consequence if we overproduce and give cheap beef once in a while. That is my theory about it, for in that case you have free men. If you do not you put a man who is built for a lawyer in cattle raising. You do all sorts of violence to everything that is valuable in man. After you have the cattle raised you have to have a butcher. You will get him one way or the other. You will either elect a man with a 51 per cent vote whose business it is to pick out butchers and say, "We want ten butchers. Ten butchers is all we can have. You are a butcher or nothing," or else you let us compete and have a whole lot of butchers—if it is the thing we like to do, let us do it. We get butchering cheap, and the cheapness will keep us away if we get too many.

After you get the butchers you have the problem of distribution before you just as big as ever. Who is going to get sirloin and who is going to get inferior portions? You are going to determine that in the same way you did the other. You have to do it. There is no escape from it. You have either to elect a man by a 51 per cent vote, whose business it will be to say, "It is your day for shinbone, and, Brother De Leon, it is your day for

sirloin." Either you have got to do that or let us compete, and then the fellow that will give the most for the sirloin will get it; one of the two. I can see perfectly well that there is some extravagance in that system. A friend said something to me the other day. We were sitting on my porch and I think about seven or eight milkmen went by in the course of an hour. He said, "There is an illustration. Under Socialism you would only have one milkman who would come around here and serve everybody on this street." I said, "Not if I could help it, you would not. I want to choose even my milkman. I do not want you to choose him for me. I have a preference in milkmen and would rather pay one man eight cents a quart than pay another man seven. I know it costs more to have six or eight men come along there, but I can beat cheapness to death. It is not cheapness we want, it is freedom we want. That is the thing that develops men."

CLOSING SPEECH.

DANIEL DE LEON.

This debate has closed where some debates would have commenced. My distinguished adversary has drawn a picture of Socialism which is a caricature. All I can do is to throw out just one hint. He tells us that the easy job will be over-chosen and he will choose the soft job. Do you know anybody who chooses the hard job today? I do not. The difference between the Socialist commonwealth and the present capitalistic commonwealth is that today the hardest jobs have to be chosen compulsorily by those who need some kind of a job, and they get paid in proportion to the supply of applicants for those jobs. Under Socialism the principle is entirely different, but to give you the fundamental principle for that would need half an hour and I have not got it, so I can only give you the concluding principle. Under Socialism, if there is an over-supply, say of conductors of cars, it would be an implication that there is less fibre spent, less labor power consumed in conducting a car, and the consequence would be that the hours of those men would have to be longer than the hours of the men who applied for jobs that are

disagreeable. It is the application of the law of exchange value to which I referred at the beginning of my address, as the dynamo under capitalist society. It is the application of that. There is, and I repeat it, nobody today looking gladly for a hard job. People take whatever job is open to them.

My distinguished friend referred to himself as a brickmaker. He will allow me to say I do not believe he chose brickmaking because he loved bricks. He chose brickmaking because he thought he would make more money according to his theory, getting more than he expended in getting it. I do not believe in a civilized community a gentleman with his shape of head would adopt such miserable work and spend his life upon making bricks. That can be done in a few hours and he devote his talents to other things.

I refer to his often repeated caricature of Socialism, which shows he does not grasp the law of exchange-value. He says, first, that soft jobs will be over-crowded; secondly, the supply will be excessive. That does not hold. I repeat it, in proportion to the supply of labor for a certain thing you can tell whether much or little fibre is expended in its production, and the relative supply for this, that and the other job establishes the number of hours that are equivalent with this condition. Then we would have long hours maybe for some on account of the work being pleasant, and have short hours for others, but the hours of one cannot exceed the necessary hours for physical exercise, for the reason that the productivity of the Commonwealth will be so much larger.

I will use my closing minutes with a rapid survey of the position. The proposition, the trust proposition, the back gate or the foundation of the land, and all these various things, you cannot approach and cannot understand unless you grasp the law of exchange-value. That law of exchange-value disables the man who does not own the best machinery for his form of work. That determines the usefulness of the trust as the best implement possible, and just as soon as the trust presents itself then the decree of civilization is that the trust shall be saved, and that it shall be saved in the only way it can be saved, namely, by bring-

ing society to that condition from which our ancestors moved when they had to enter into the valley of the shadow of death of capitalism, leaving communism behind.

We have to rear that social system in which the government consists of the people who are directing production instead of the people whose sole work must be to cheat the underlings under them. We must have a social system which outlines with the truth, and only that is true which fits all the facts, the fact of the law of exchange-value, the fact of the necessity of the most perfect tool, the fact that that most perfect tool of today, the trust, rings the knell of political government and ushers in the government of representatives of industrial occupations. That proposition fits all the facts, and as it fits all the facts the Socialists work along that line. As far as I know, there is no other movement that is making any progress. All others grow like cows, tail down toward the earth.

THE CHAIRMAN.

The debate between the speakers is now closed. When we came we expected to hear Socialism as a cure for the trust. We have heard very little about trusts and a great deal about Socialism pro and con. I rather thought the proposition might have been announced that the formation of the trust was only a step toward the introduction of Socialism. That is a proposition which is quite open to debate, and which is very interesting, but it is too late to open that now.

According to the custom of these meetings, I will state that it is now open for any one to ask any relevant question of either of the speakers, but in this we follow a rule which I believe has been announced by both speakers in their objection to monopoly, so that no lady or gentleman is expected to ask more than one question or to take more than two minutes in presenting the question, and then the speaker will answer it.

A GENTLEMAN. I would like to ask Mr. Berry, why should the discipline of an industrial government be less desirable than the discipline of the armies that have fought for political free-

dom.

MR. BERRY. I presume discipline is a necessity of all organizations. This thought would lead me into a very large discussion if I were to follow it. I do not believe in armies at all. I think the most ridiculous thing on the face of the earth today are those armies we are mobilizing for various purposes. I believe that they could not be recruited if we had monopoly eliminated at the bottom, and a condition set up where the demand for labor in productive enterprises would always and everywhere exceed the supply. You could not hire a man to go to war if he could always do better at home than he can in war. Therefore, I question the whole proposition of discipline. I know perfectly well, as a manager of a productive enterprise, that a man who co-ordinates an enterprise must have control of it, but that control of it must be with free, independent men. Competition is reprehensible only when it is of the jug-handle type, when it is all on one side, when the employer does not have to compete and the employe does. When competition is like a loving cup that we pass around at our various functions, and has a handle on both sides of it, then there is nothing the matter with competition, and then discipline is quite a different thing from what ordinarily arises in one's mind in thinking about it.

A GENTLEMAN. How can a trust, or even Socialism, save the family or even the State? He was saying about there being no money.

THE CHAIRMAN. To whom is the question addressed?

THE GENTLEMAN. To Professor De Leon.

MR. DE LEON. The question is, how can the trust or Socialism save the family or State? I do not understand the question.

THE GENTLEMAN. You said wipe out state lines.

MR. DE LEON. Yes, wipe out state lines and establish in lieu of state lines the industries, representatives of industry. How will that save the family?

THE GENTLEMAN. They say Socialism breaks up the family. I always heard that it would lead to free love. They do not believe in the Bible.

MR. DE LEON. As far as I can judge, I think the capitalist

is the one who breaks up the family. He sends the husband to look for a job anywhere. He throws the wife in the market. He grabs children from the cradle. Socialism cannot be worse than that. I do not understand that question. Today the family is smashed by capitalistic conditions under the private ownership of the tool of production. Overthrow that. Have that which is real Socialism, not State Socialism,—that is not Socialism at all. Overthrow the capitalist system, which means organize the industries of the country so that their representatives can meet and make laws for production, and I do not believe there will be any wife who will run away into a factory. I do not believe there will be any man who will go out West looking for a job. I do not believe there will be any more she-towns in Massachusetts and he-towns in Pennsylvania, a disgrace to civilization.

How Socialism would destroy the family? It is one of the slanders of capitalism. You might as well say Socialism will produce arson or do anything else,—that men under Socialism will walk on their heads. We have heard such things, but we hear less and less of them. Socialism will save the family. Today the family does not exist *de facto*. Ladies will not think I am rude when I say that the best of capitalist society recognizes that houses of prostitution cannot be destroyed because under capitalism they are a necessity.

A GENTLEMAN. I would like to ask Mr. De Leon a question. With reference to value, he says that the amount of labor in an article constitutes its value, or determines its value. I would like to ask him whether if he built an ocean steamship on the Rocky Mountains and another in the Delaware River, the one on the Rocky Mountains, which presumably has required a greater amount of labor to construct than the one in the Delaware River, would be of greater value than the one in the river.

MR. DE LEON. If anybody is insane enough to build a steamboat there he deserves to get stranded on top of the mountain.

THE GENTLEMAN. The question is the amount of labor power in the article. If the steamboat on the Rocky Mountains required a greater amount of labor to produce, would that steamboat then have greater value than the one in the river?

MR. DE LEON. No, that steamboat would have no value at all for it is no commodity. I said that all commodities have their value dependent upon the amount of social labor necessary for their production. Your steamboat on the Rocky Mountains, by the very fact of its being built on top of the Rocky Mountains, is excluded from the market, is excluded from the category of commodities. It is a freak production, and freak productions have no value.

THE GENTLEMAN. Then it follows the amount of labor has nothing to do with the value of the article.

MR. DE LEON. Oh, no. If you mean that the amount of labor, regardless of what it is expended on, has nothing to do with value, I stated that myself. I said the amount of labor socially necessary, so that if a man were today to weave with an old-style loom he would produce about one yard of cloth a week, and that yard of cloth is produced by an instrument that is rejected by society. It is no longer socially necessary, but it is the antediluvian labor which we have outgrown. To say, therefore, that labor has nothing to do with it is to deny my definition. The value of a commodity depends upon the amount of socially necessary labor power to produce it. It means that the thing must be a commodity. A steam-boat on top of the Rocky Mountains is no commodity. It means it must be produced by socially necessary labor power. The man who spends a whole week in producing one yard of cloth is not spending socially necessary labor, but wasting socially unnecessary labor power. The thing must be a commodity. It must have a market in which it is to be sold. I am pretty sure a steamboat on top of the Rocky Mountains has no market.



De Leon-Carmody

Debate

Individualism vs Socialism

DANIEL DE LEON

Late Editor of The People

THOMAS F. CARMODY

Attorney General State of New York

Stenographically Reported by Mr. Emmet W. Connors

Delivered at Proctor's Theatre, Troy, New York

April 14, 1902.

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DANIEL DE LEON

Editor New York Daily People

THOMAS F. CARMODY

Attorney General State of New York

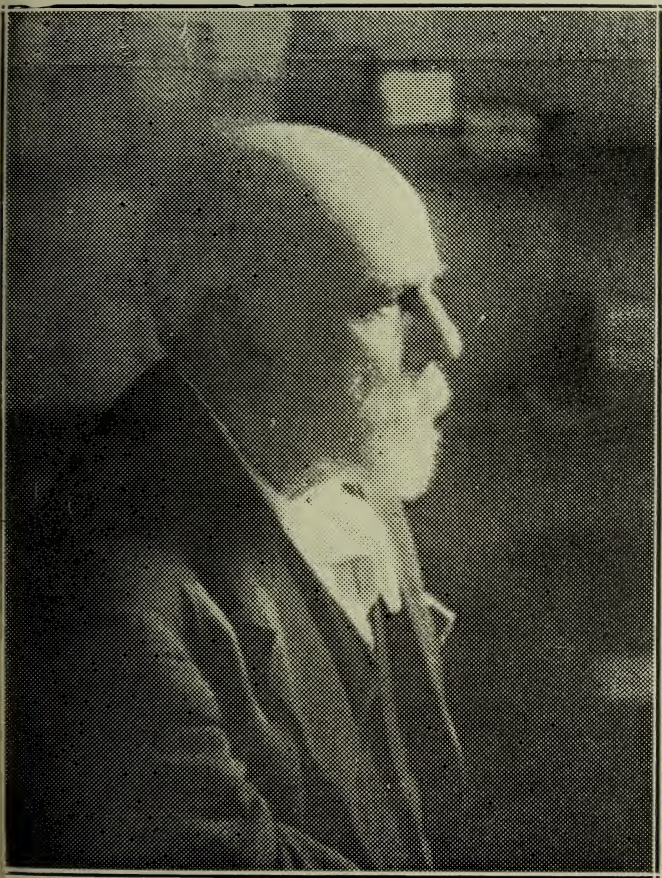
UNDER THE AUSPICES OF THE PEOPLE'S FORUM

Stenographically Reported by Mr. Emmet W. Connors
Delivered at Proctor's Theatre, Troy, N. Y., April 14, 1912

**ISSUED BY THE NATIONAL EXECUTIVE
COMMITTEE SOCIALIST LABOR PARTY**

Fourth Edition

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DANIEL DE LEON

FORENOTICE.

What will become one of the most historical debates ever delivered in this country is the one dealing with the subjects covered in this pamphlet, and in interest is bound to exceed in its far-reaching effect any effort ever presented to the public on these most important topics.

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"Here is where I intend to nail Socialism to the cross and keep it there. I want somebody to tell the laborer who is working in the shoe factory, or whose boys and girls are working for the purpose of earning an honest livelihood, is there any remedy for that condition? Where do you find a remedy in that policy of Anarchy and confiscation, which provides that public utilities shall be controlled by a common ownership, and that you acquire public utilities by confiscation?"

From Mr. De Leon's reply:

"A word, in connection with 'Confiscation' as to what the Revolutionary Fathers did. I refer my distinguished adversary to the fiscal history of George III's troubles. The colonists took vastly more than Mr. Carmody imagines. To gauge how much they took, look at the subsequent famines in India. Unable to keep its hands upon what it considered its legitimate property in the colonies, the British Crown had to fall back upon the Hindoos to recoup itself. Socialism does not, can not contemplate the 'confiscation' of existing wealth, for the simple reason that the wealth of society to-day IS the property of the working class; they

produced it. They will only be taking their own—just as the colonists did.”

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DIRECT PRESENTATION.

DANIEL DE LEON.

Mr. Chairman, Ladies and Gentlemen:

When the program was put in my hands a few hours ago, and I noticed it was "Individualism vs. Socialism" I thought the proper order of the debate should have been that the representative of Anti-Socialism should speak first. The title "Individualism vs. Socialism" implies the belief that the term "Individualism" needs no definition. I shall prove to you that this is an error. I shall begin, however, by stating, as I shall demonstrate in my closing remarks, that we of the Socialist movement, hold that we are the real promoters of Individualism, or Individuality, in the country. I put that as my thesis, and that is what I shall argue.

Let us look at the representatives of the ruling class to-day. They are leading men; they are leading statesmen. I shall begin by quoting the present incumbent of the presidential chair. President Taft admits that as things are, they ought not to be in many respects. He admits that opportunities are not equal to all. He proposes to remedy them in a certain way. His leading opponent is still more emphatic; I mean Colonel Roosevelt. He, not only contends that as things are to-day, they ought not to be; not only does he say that opportunities are not equal, he boldly asserts that opportunities are unequal, and that there is no square deal in the country. I am not quoting obscure persons. My distinguished opponent may perhaps reject the utterances of two Republicans. Let me now quote the views of representative men of his own, the Democratic camp. A gentleman who has been three

times honored with the presidential nomination, Mr. Bryan, holds to the language of Roosevelt, or, rather, Roosevelt holds his language on the subject that I have mentioned. He says: "The common people are being thrown down in the interest of plutocracy." If Mr. Bryan is not acceptable to my distinguished opponent, let me quote Governor Woodrow Wilson of New Jersey, also a Democrat. He says: "The days of small competition are gone by, and we have to adjust the institutions of the country in such a way that an equal opportunity can be restored to the people. The doors of opportunity are double-bolted." If Governor Woodrow Wilson is not quite acceptable, let me take another candidate, two of them in a bunch, seeing they travel together, Champ Clark and Underwood. As you will notice I am only quoting presidential timber. Both say: "The country is taking a header towards destruction." I am quoting from Champ Clark's campaign speeches in Missouri and Illinois, where the people stood by him in the primaries. He said: "We are steering towards a French Revolution on account of the unequal opportunities that the majority of the people are being held to." If Champ Clark and Underwood, traveling in the same boat, are not acceptable to my distinguished adversary, I shall quote Governor Judson Harmon of Ohio, also a leading presidential candidate on the Democratic side. In answer to Roosevelt's address before the Columbus constitutional convention, he stated that the conditions which Mr. Roosevelt complains of are there, but they are not to be met by the measures which he proposes. In short, the situation is this: From the mouths of these leading representatives of the present order of things, we have the statement that existing condi-

tions do not promote the welfare of the majority of the people. It matters not that they each propose different methods, and that the measures that they propose are different from the methods of Socialism, or the Socialist Labor Party in particular. It is enough that their diagnosis, and our diagnosis agree exactly as to present conditions. However different their measures, they are agreed among themselves that present social conditions are the conditions of mass ill-being.

Before proceeding further along this line, let us be clear upon the definition of the word "Individualism." As I started saying, the word seems to be a word of accepted significance; but, in the language of Thomas Jefferson, when society reaches the point that spells revolution, then every single term is summoned to the bar of the people and must be re-examined on the same principle that worn-out coin is re-examined. I shall prove to you that the word "Individualism" as it is used by the men who are against Socialism, is a word that no longer represents the "coinage" that it once represented. It is a counterfeit, or is found to have been worn out beyond all original semblance. The essential thing is to define the word.

What does "Individualism" mean? "Individualism" means that state of things in man or woman that makes him or her a strong individuality; that makes him or her a strong man or a strong woman; that makes him a healthy man and her a healthy woman. There is another term, intimately connected with "Individuality," that I might as well cover now. That is "survival of the fittest." That phrase is much bandied about. We are told that we have the "survival of the fittest" now, and that that should be enough to shut the mouths of the Socialists. The "sur-

vival of the fittest" means the fittest for given conditions—and the "fittest" is not always the "best."

The fittest in mud is the mud eel. No healthy man or woman can live in mud, and, consequently, the fittest for those conditions are the mud eels. To use the term in the sense that opponents of Socialism do, is a travesty on "survival of the fittest." The term means, he who is fittest for a certain social condition, and the question comes back, Are present social conditions such that they will develop the highest and best type fit for our ideals of the twentieth century? We Socialists say, No. And we prove it.

Take a forest. That forest consists of trees. It requires individual fine trees to make a collectively fine forest. If the trees are too close together they will interfere with their individual growths. Under that condition of things you will not have a good forest; you will have jungles. He who, therefore, has the collective thing, a forest, in mind, must have individually good trees in mind, and he who understands what individually good trees mean, must necessarily imply the collective thing, a good forest. But trees are inanimate beings, let us treat with animate beings.

Let us take an army. An army depends upon the individuality of its soldiers. Unless each individual soldier is properly trained in militarism, unless this individuality of a soldier is properly instilled, the army is an impossibility. The general would have a mob, and he would be licked by the other army. What does this imply?

It implies that Individualism does not deny socialistic or altruistic, or collectivistic requirements. For the very reason that the soldiers must be individually well trained, all of them must give up a certain portion of their individualism to the whole, without which there could be no

organization. Without altruism in the army, each soldier would pull his own way, and you might have anything you please, but an army you would not have. It requires individuality, plus the surrender of part of yourself, and that is a point that Socialism teaches—man is a social being, and the real capabilities of his individuality cannot develop so long as he is not in society, merging part of his individuality into the whole.

Now then, that being the goal to be attained—strong individuality—an individuality wise enough to realize that the acquired individuality will be as zero unless it is civilized enough to yield part of itself to the whole;—that being the goal, how does capitalism meet the requirements?

We charge modern society, that is capitalism, with crushing out individuality. Its methods do the opposite of bringing about individuality. Its methods, taking the illustration of the forest, bring about the jungle. Its methods, taking the illustration of the army, bring about a mob, and whenever you have a mob, you have the man on horseback not far away—a circumstance that explains the presence and existence of Colonel Roosevelt to-day in the field.

Let me take a few illustrations, in widely opposite ends of present society, to illustrate what capitalism does for individualism. It is fair treatment. Capitalism has had the world to itself. Spokesmen of Capitalism admit, as all those whom I have quoted do, that things are not the way they ought to be. They have had society so long in their hands that well may we hold them responsible for the ills that they admit afflict society.

Take two illustrations from the extreme ends of the

social system, such as are conceivable only in a Democratic-Republican-Capitalistic order of society.

Here is a shoe manufacturer. He employs we shall say one hundred hands. He will not manufacture unless he either has orders, or expects orders. Suppose he has received orders for ten thousand pairs of shoes, or that he expects orders for that amount. He has one hundred men working. Suppose that each man, on an average, produces one pair of shoes a day. That would mean that it would take one hundred days to fill that order. What does capitalism do for the individuality, or individualism, of these men? Does it encourage them to develop the best that is in them so as to produce swifter, and swifter, in order to accomplish what is desired with least waste of time? No. Capitalism does the opposite. Suppose these one hundred men, who, on the average, produce one pair of shoes a day, and, therefore, have one hundred days of work before them—suppose they put on steam and were to produce two pairs of shoes a day on the average. That would mean that within fifty days they would be out of work. If they put on still more steam and produce four pairs of shoes a day on the average, it would mean that within twenty-five days they would be out of work. If still they put on more steam, it means that all the sooner they will be without bread. That is what the capitalist system does for the individuality of these men. I hope our friend, Mr. Carmody, will explain how the individuality of these working men is promoted under a social system that whips them with a whip of hunger. In what way could those men be expected to develop the best that is in them under such a system? What the capitalist system does is to compel them to lag in their work as much as

possible, so as not only not to shorten the period within which they will be out of work, but so as to lengthen the period in which they will have a chance to earn a living. That is what the capitalist system does for individualism with the mass of the workers.

Take an illustration from the other extreme end of the social scale. Look at a large corporation. We know that great efforts are being put forth by large corporations to make it appear, statistically, that a large number of stockholders participate in these concerns. The New York Central claims that it is now owned by something like twenty thousand stockholders. See! Why, they have increased the number of people that have—what? Have something to say in the corporation? Not at all. Twenty men in that, and similarly with all corporations, can out-vote the others. Stockholding of that sort is a delusion. Those men who constitute the large number of stockholders have not got one-hundredth part of the stock that is held by the leading corporators. Where does the individuality of this large majority of stockholders come in? Can they hold up the minority? Not unless the minority tries to be too "clever" and runs foul of the criminal code. But if they can steer just this side of the criminal code, no court will recognize the majority of the stockholders, because the majority of the stockholders don't count, and the minority can do as it pleases. It is not human beings that count; it is stock; it is money! it is property—not human individualism.

I shall sum up these two illustrations with a third, to show you how individualism is the last word that should be in the mouth of a Republican or a Democratic upholder of capitalism. Go to Republican meetings; go to Demo-

cratic meetings; read Republican papers; read Democratic papers; read them of all colors and all shades; whether gold or sixteen to one standardists; whether free trade or protectionists; whether for revision upward or downward; get all the shades and varieties of them, and you will find that upon one thing they are all agreed. What is that thing? (Applause.)

Let me go back a moment. Remember the interrogation "What is that thing?"

There was a time in the history of this nation when the citizen went to the polls as a man, and in a loud voice proclaimed his political choice. There was a time in the country's history when the citizen's individuality would have spurned any move to demand a secret ballot. That was the time in the nation's history that carried individuality with the ballot. Now, what is that point upon which all these capitalist elements agree to-day? However much they may disagree in other respects, they all agree that, without the secret ballot, we cannot have a free expression of political convictions. Do you realize what that means? That is the point they have brought us to with their individualism. Their individualism is an individualism that has turned the majority of our people into cowards. To-day when we go into a sentinel box, the door closed behind us, we cast our vote as though we were committing a burglarious midnight crime. That is what your so-called individualism has brought about.

The Socialist says that the present condition is not one of individualism. Capitalism should begin by proving that individualism has been promoted by it. I demand of my distinguished opponent to show us how individualism is promoted under the capitalist system; and how, as the

system of balloting shows, individualism has not been absolutely destroyed. Socialism says that individualism cannot be promoted without your guaranteeing to every single citizen not simply the ballot but also the opportunity to work, in which the full fruit of what he produces will be guaranteed to him. It is beside the subject of the debate to prove that the smashing up of individuality by capitalism has gone on hand in hand with the plunder of the working class. But, whether the workers were plundered or not, we have this principle in the Declaration of Independence of the United States—Whenever a certain social system has become hostile to the interests of the people, it is the duty of the people to change it, regardless of how that state of things came about. We charge capitalism with being the destroyer of individualism.

Having a few more minutes time I want to give one more painful illustration of this alleged individualism that capitalism produces, and why it produces it. I wish to refer to the houses of prostitution. Who, here in Troy, does not know that there are such houses, where any man can go any time he wants? Why is it the police do not destroy them? Why is it the police do not uproot them? Is it graft simply? Those houses of prostitution are pillars of the present social system. Are they symbols of individuality?

You have heard the song, the beautiful song sung on this platform to-day. Here we have a beautiful contradiction of capitalism. "Consider the lilies of the field, how they toil not, neither do they spin, and yet Solomon in all his glory was not arrayed as one of them." And right on this platform you are about to hear the gospel of Capitalist "Individualism,"—do others or you will be done by them.

In my closing minute I want to give you still another illustration of this contradiction of capitalist preaching and practice. Look at the biggest capitalists in the country. They tell you that "roughing it" makes individualism, and individuality. And yet they will write their last will and testament in such a way that their wealth is left to their dearest relatives. What for? If individualism is developed by "roughing it," they should withhold that cash from those who are dear to them. Their last act on earth gives a denial to their theory regarding individualism being developed by "roughing it." (Applause.)

FIRST PRESENTATION.
MR. THOMAS F. CARMODY.

Mr. Chairman, Ladies and Gentlemen:

It is indeed a great pleasure to be permitted to take part in a discussion that involves questions of such great public interest before an audience of this character. It is a great pleasure to have an adversary in that discussion a recognized champion of the doctrines that he espouses. It is a pleasure to have an audience that seems friendly towards the speaker. As an audience that needs to have the question of Socialism as against Individualism presented fairly and fully, it in some measure at least applauds the doctrines of Socialism. You have followed the discussion of my distinguished adversary with sufficient interest to know that it has consisted entirely, as Socialism does consist, not in some remedies, but in attacks, not in providing remedies for evils but in an inventory of the evils, most of which are natural to human institutions, and to human nature. Whether the doctrines I stand for are properly defined in the term Individualism or not, I want you to clearly understand that it does mean that I oppose, the party that I stand for opposes, and all parties oppose (that deserve the name of party) the attack upon the institutions upon which all parties build their power and upon which individual liberty and opportunity must rest. (Applause.)

I do not intend to let this debate take the current that my distinguished adversary has marked out for it. I do not intend this contest to rest upon an inventory of the

evils that exist in our political government, and I do not intend by any specific analysis of particular evils to allow the great principle that is at stake in this discussion, and is involved in the contest which it invokes, and will be one of the elements to be determined in the forthcoming presidential contest, in any extent whatever; obscured or clouded by specific references to matters that do not necessarily involve the merits of party doctrines. My distinguished adversary has stated with much eloquence that the trouble is that individualism has been destroyed, and he thereby has made one of the best arguments against Socialism that could possibly be presented. More than half of his argument was devoted to pointing out the great industrial army of the present time, wherein individual merit has been destroyed, individual industry has been prevented, and the men and women have become part of a great machine in which opportunity has sunk to a dead level of mechanical organization. What then (turning to Mr. DeLeon), tell this audience when you face them again, will become under a form of government of which there is no opportunity by law for individual merit or individual industry?

He has named every candidate for president now before the people, and has pointed out that these men concede that there are evils to be corrected, and if the time ever comes when we do not concede that there are evils to be corrected, and when we do not advocate something for their correction, then safety, progress and opportunity in this country are gone. The beauty and grandeur of American institutions is that, when we find evils, when the people understand there are evils, they find that they can be eliminated by the ballot.

I find in this audience many undoubtedly who are laboring men, and who believe in the propaganda that has been preached before you here this afternoon, that with the inequalities, the lack of opportunities possibly, probably actual, that you suffer, that there is something wrong with the form of government under which they occur. The Socialist will never discuss the remedy. That is what my adversary has got to discuss before he leaves this platform. I am not going to run away by telling you that things are bad and that a tyrannical industrialism controls in our business life. You might as well go out on the streets of Troy and give vent to your anger because the weather does not suit you, because it is too cold in winter, raining on Sunday.

There are things that belong to this world of sin and trouble. Socialism has pointed them out. It takes their symptoms worse than any other class of people. I do not believe that Socialism is very dangerous; it does not stay long in any one place; I introduce in evidence Milwaukee and Schenectady.

I believe that the industrial conditions need a remedy, I believe that our industrial laws need revising, or enforcing. I am opposed to any industrial system, and so are a majority of the American people who are not Socialists, to any industrial belief, that gives an opportunity to some men to get more than they earn and other men to earn more than they get. That industrial system that compels the poor man to send his daughters and sons into factories in order to drive away starvation; that does not permit that they go to school and acquire educations and become as they should be, educated; are elements to be reckoned with in this civilization.

I oppose any influence that undertakes to tear up the courts. I oppose all of the evils that he has pointed out. I will not be put in a position, nor will I allow the cause I speak for to be placed in a position of hostility to labor. The proudest boast of every party in this State and in every State is that the interests of labor are the dearest of all interests to the political parties in this country. To undertake to place the cause of individualism or to place the great parties of this country against the interests of labor is not true. The effort will miscarry.

Take this State, for instance. Get down to specific things. This State has upon its statute books a law that provides that in all public contracts in the State or municipalities, there must be a clause inserted providing for eight hours a day for labor. I made this statement before an audience of Socialists not long since. A few days afterward I received letters saying it was not true, and it is a fact that Socialists deny, that the State has been legislating in their interests, but it is a fact that the labor interests of this State have received from the Legislature that protection which they are entitled to; and a fifty-four hour law was passed this last session extending to other places where this law does not extend. In addition the State has a factory inspection bureau to inspect factories and see that laws are enforced, that only those arriving at the proper age are employed, and that there is proper protection for the life, limb and health of those who are employed. You have a labor bureau, at the head of which is a commissioner of labor who is a union laborer. He has at his control an army of inspectors who go throughout the State to see that labor laws are enforced. Yet you are told

that the parties in this State and elsewhere were in a conspiracy against labor.

Now, I want to get to something which is of greater importance. I want to establish as propositions right here, that any party that stands against labor does not deserve to live. (Applause.) I will say, furthermore, that any party that does will not live. (Louder applause.) And I will give you a third proposition—applaud this—that any party that undertakes to fool labor by remedies other than sound does not deserve to live. (Still louder applause in which Mr. DeLeon joins.)

I want to give my adversary a little something to do. What has Socialism got to say about this? What are its remedies? They have pointed out the evils. It will not do very much good for a doctor to come around to your house and tell you how sick you are unless he can give you some medicine to cure. I have their national platform here and call your attention to one plank which is the basis of Socialism. The collective ownership of railroads, telegraph, telephones, steamship lines and all other means of social transportation and communication. They say there can be no private title; that whether called fee simple or otherwise, must be subordinated to the public title. First is collective ownership. That is the basic principle of Socialism. Without that remedy Socialism has no remedy. If that be not a remedy, Socialism has no cause. Surely, if it can not make practical this fundamental doctrine of its creed, then it must cease to appeal to you, or to any other portion of our people for its support, unless they find there an answer to the evils that they have diagnosed as part of the ills of the body politic, then they have no remedy and I am going to ask my adversary to tell what

has never yet been told to an American audience in public that I have ever understood or heard or read.

In the first place how are they going to bring it about? You have got railroads, telegraphs, telephones, and canals. How are you going to get them? They are owned by private individuals, they are operated by private individuals as private property. How are they going to be acquired by Socialism? Are you going to buy them out? This is politics. This shows whether you get anywhere or not, with Socialism. Where are you going to get the money to buy them? Suppose you have got the money and suppose you buy them and pay men for their property, then you start in with a lot of millionaires. I am going to deal with your proposition as you have defined it in the first place. You believe in collective ownership. Then you have got to extinguish private ownership. You have got two ways to do it; you have to pay money for it, or you have got to confiscate it. If you pay for it you start in with a lot of millionaires. If you confiscate it where is your Socialism? (Applause.)

I put this question to Socialists, and never got any answer except confiscation, which means anarchy. If that be the theory of Socialism, and that is the only one that solves the situation, then you have instead of a solvent of human misery, the most tyrannical, powerful and deadly attack on human liberty that was ever delivered from any source since God said, "Let there be light." You must have some way of making political this doctrine of public ownership.

The present idea, the idea of individualism, is that the business corporations must be made amenable to the law. Nobody believes that they should tyrannize property rights,

liberty or interests; that you have the power and disposition if you will with your ballot to rectify and correct. (Applause.) I will not permit any man to say before my audience that the parties of this country are standing upon the prostrate body of the laborer or citizen. I will not allow any one to say, here or anywhere, that this country is drifting or ever will drift over the common humanity that is its pride or its glory. Individualism gives to your man in the shoe factory, it gives to your man on the farm, it gives to your man anywhere, opportunity if he has more brains or industry than any one else has. It gives him the opportunity to work it out. It has been the glory of this country that its opportunities have made it what it is and what our forefathers when they outlined the form of government which is ours to-day, and thank God will always be ours for we are grown patriotic enough to defend it whenever attacked. It was based on the theory that all men should have equal opportunities to earn what they could and to have what they earned. If that does not obtain to-day, then you have the power to go to the polls and punish the party that does not permit it. But you have not a remedy in anything that Socialism provides. I want, during the remainder of this discussion for my adversary, instead of pointing out those things upon which we agree, I want him to give you the remedies which Socialism has. He has mentioned presidential candidates, all of whom have pointed out evils he has dwelt upon. There are many more, but none of those candidates for president have advocated the theories he advocates. Every one of them, Taft, Roosevelt, Wilson, Clark, every one of them is against Socialism. While they see the evils, as you see them, they see still that there are remedies under

our laws and forms of government for these evils. (Bell rings, one minute before closing.) This discussion will be of no importance whatever unless we are able to have the practical politics of your theories and mine discussed before this audience. I still insist as I sit down for the first heat that when my adversary take the stand next time that he will tell you how the evils he has pointed out are to be met by the remedies which Socialism proposes. (Applause.)

DANIEL DE LEON IN REBUTTAL.

If a traveler from Mars had landed here when my distinguished adversary was speaking he would have been justified in concluding that the debate was not on individualism. Yet that was the subject for debate. That was the subject given to go by, and I mean no insult—but a stump oration was delivered instead. That sort of reasoning will have to be given up by the old parties if they are to keep the ear of the people. Anybody who knows anything knows that the subject of Socialism is a broad subject. I would not have accepted a debate on “Capitalism vs. Socialism.” I would have accepted only some subdivision of it, because in a few minutes you can only skim the surface if you are going to take the broad subject of Capitalism or Socialism. The subject for debate was that one feature, Individualism, that issues out of the conflict of Capitalism vs. Socialism.

My distinguished adversary is a lawyer, and so am I. He and those of you who are lawyers will understand me when I say that he made a plea of confession and avoidance. I have shown with the illustrations that I furnished that Capitalism has made a mess of individualism. How did my distinguished adversary meet the charge? He admitted the correctness of the picture that I drew, and then he charged me with not providing remedies—as though remedies were the subject of debate—and then he declared the inventory of the evils that I drew up to be “inherent in things”—I suppose as inherent as the weather. That’s the pagan’s view of things.

The pagan looked upon disease as something that could not be overcome. He took the posture that the adversities which befell him were unavoidable, and he bowed down before them. We say they are not unavoidable. Even against the weather—why, every man and woman protects himself and herself against the weather. We have lightning rods; and we also have pagans to-day who think it is against “the will of God” to see to it that lightning does not strike our steeples. The pagan would consider the hurricane a breath of God. We deny it. We say that it is not a breath of God; it is a disturbance in nature and we protect ourselves against it; and we see to it that it does not create more disturbance than we can help. So with these social ills. They are not inherent in things. The plea of confession and avoidance was to admit all that I said with regard to the crushing out of the individualism of the people, and then to say: “It can not be helped, you are Utopians, you are trying to change the Sun and the Moon.” (Laughter.)

He asserts that these evils are inherent in human nature. This “human nature” has also got to be defined, What is human nature? Contemplate a young lady who has a flea on her cheek—if the press, the politicians and pulpiteers, tell her that that is a beauty spot, her human nature will cause her to protect that flea. Her ignorance of the facts is superinduced by the leaders of public information. Let some one impart to that girl the knowledge that the flea is not a beauty spot; that it is a parasite which sucks her blood, and will put a hole in that spot, and spoil her complexion; then that same human nature that at first caused her to protect that flea will now cause her to take it between two nails and kill it. Human nature

is just what we bank upon. But we claim that human nature is to-day misinformed and misdirected.

What will become of government under Socialism, which "bears man under the dead weight of Socialism and Anarchy," according to my distinguished adversary? That is a further plea of confession and avoidance. But since my adversary has abandoned the field, I am willing to follow him up and throw a few hand grenades into the retreating and routed foe.

I regret such a distinguished official of this Empire State should have committed the error of identifying Socialism with Anarchy. Right here, let me say that nobody more so than the Socialist reverences the history of this country, and recognizes the work done in the Revolution. We are not Anarchists, and can look to the past more proudly than many of those in these United States who to-day wave the Red, White and Blue. I regret that the term was used, and that is putting it very mildly.

Where will human nature be, where will man be when weighed down by Socialism? I wish to remind my learned friend of the language held by the Tories against the Revolutionary Fathers when this country was fighting for its freedom. You will find that their language against the Jeffersons of those days was the identical language of Attorney General Carmody to-day. (Applause.) What will become of this country, the Tories asked, when it is buried under the dead and levelling weight of Republicanism? And those Tories were wiped out at Yorktown and elsewhere, and the Republic did arise. There is no difference in the nature of the attacks against the obtainers of our bourgeois freedoms and the attacks used against Socialism to-day. There will be no such thing as "a dead weight,"

for the simple reason that under Socialism man will have the free choice of work, which he has not to-day, and he will enjoy all that he produces. But that takes us into the social economic question for which I have not now the time.

My distinguished adversary says that he cannot get an answer from any Socialist, and he hoped I would answer him. I am going to be more courteous to him than he was to me. He did not answer a single one of my questions. There is a story told of Andrew Jackson, who, one day, when President, and standing with his back before the fire-place in the White House, heard a noise outside, and immediately the door of the room flew open, and an old acquaintance of Tennessee rushed in. "What are you doing in Washington?" asked Jackson. "Do you know, General, what is going on in Tennessee?" "No." "They are charging me with being a horse thief." "Can they prove it?" Jackson asked. The answer was: "That is the worst of it, they have proved it!" That is the worst of the fix of our adversaries. The Socialist charges are proved.

I am asked "How are you going to cure the situation?" "What are you going to do?" "Are you going to confiscate?"

I want my distinguished adversary to refresh his mind upon the juridic meaning of the word "confiscation." Confiscation means the appropriation of property contrary to the laws of an existing social system. Revolutions, however, bring their own laws with them. Consequently, under the laws of a Social Revolution, that may be done legitimately, without the brand of "confiscation" which, under the laws of the social system that the Revolution has supplanted, would be called confiscation. We have a striking

illustration of this fact in the language of one of the early leaders of our country whom I hope Mr. Carmody will not repudiate. When the Revolutionary Fathers were asked: "Are you going to confiscate these colonies?" it was no less a man than Jefferson who answered the "confiscatory" charge: Whenever in the history of a people conditions have become such that they have to be changed, changed they shall be. "Confiscation," from the British viewpoint, was at the root of this Republic. Like all Revolutionary governments, the Government of the United States was born in revolution. It did not "confiscate" under the laws of its own existence, whatever the name given to the act by the social system and government which it overthrew. The question is, "Do the requirements of the working class demand a different state of society?" If the answer is "Yes," then that appropriation is not confiscation at all. I hope my distinguished adversary heard, and will remember my answer. The breath that denounces us as "confiscators," curiously enough, brands Thomas Jefferson, on this platform, by a Democrat, as a "confiscator."

The words were put in my mouth that I claim that the old parties are engaged in a conspiracy against the working class. I certainly hold no such view, and expressed none. The class interests—the capitalistic class interests—direct the conduct of the old parties; and that conduct is upheld by the present capitalist system. That is not conspiracy, any more than it is conspiracy for centipedes to bite. It is the nature of the beast. It has to do it. The capitalist class could not do otherwise. It is the law of its existence. Being the law of its existence, none but an Anarchist would say that the old parties are in a conspiracy. They are in conspiracies, but not against the working

class. They are in conspiracies against one another; one conspires against the others, and all against each; and within the same party there are a lot of conspirators against one another.

There are various brands of Socialists we are told. Oh, yes. It is a curious remark to be made, on Sunday, of all days. When you say that there are in existence several shades of Socialism, so that you cannot tell what Socialism means, then, by that same token, you declare that there is no Christianity, because there are at least two hundred and fifty varieties of Christianity.

There is nothing in the claim about there being so many varieties of Socialists, least of all is there any comfort in it for capitalism. I recommend to my distinguished adversary that he refresh his memory on the work of Jane Grey Swissholm, the zealous Abolitionist woman. She despaired at the sight of so many varieties of Abolitionists; but, even when her despair was at its height, that happened that brought the Abolitionists all together, with the consequence that the Copper-head and Bourbon slaveholding Democracy came to grief at Appomattox. It is the law of revolutions that their component elements disintegrate; each then attracts its own special affinities; until that happens that brings them all together into one mighty, irresistible stream. There lies at the other end of this evolutionary chain of our own generation, another Appomattox—this time it is in store for Capitalism. To use a favorite expression of Lincoln—the more black cats fight, all the more numerous will be the black kittens.

We were told by Mr. Carmody that the Democratic party loves labor. What do you mean by love of labor? Do you mean to give labor its independence? Surely not. Then

you don't love labor. What is the use in saying that every man shall have an equal chance, when capitalism is so constructed that every one hasn't an equal chance? When they tell us they love labor, and I believe most of them are sincere, they love labor in the same sense that human beings love their cattle. They are willing to do anything for labor except get off the back of labor.

We were told that no party can live that is against labor and we applauded that. Capitalist parties, Democratic and Republican, while they are for labor in the sense that I showed you, they are against labor, because they propose to keep labor in wage slavery. No such party can any more last in the United States. It is true that they will elect their candidates, but not for much longer.

We are told that Socialism could never be. If Socialism can never be, why these terrific onslaughts on it from the pulpit and the press? If Socialism is an absurdity, why not let the absurdity kill itself? A party which does not intelligently stand for labor, and that means the emancipation of the working class, that party is doomed in the United States, and the day of its doom is in sight.

MR. THOMAS F. CARMODY IN REBUTTAL.

I don't claim to be a prophet, but I can tell just what a Socialist is going to do when he goes to his remedy. Just what the speaker has done. Just what all advocates of Socialism always do. They have but a very few words to devote to an explanation of the remedies, while they have a most beautiful vocabulary with which to describe the ills.

I told you that my distinguished adversary would not tell you how they were going to carry into effect the most important declaration of Socialism, viz: the acquisition of public utilities. He sat down without telling you, except to vaguely intimate that in this social revolution which he anticipates, a means will be found such as we found in the Rebellion when the slaves were freed, such as we found in the Revolution when the colonies struck down the hand of foreign tyranny and erected a government of independence. While the charge that I made is denied that, carried to its logical conclusion, it meant Anarchy, he has admitted that Socialism means Anarchy when it means confiscation of property rights. Before I discuss that, I am going to clear up some of the confusion in which he undertook to involve the statements that I made in my preliminary remarks.

I did not say, and do not intend to say that there are evils in our political system that may not be corrected. I did say, if there be any question about my meaning, that such evils as there are, and he has pointed out many fully as well as I can; and I go the whole length in pointing out some, the remedy for which lies with the people in

an intelligent application of the power of the ballot. (Applause.) Turbulent destruction of property rights has been preached from this platform this afternoon, although in covert language.

He says when I pointed out to you that there are evils that exist in our public life and used the similitude of the conditions of the weather, he gave you the facetious example of the young lady with the beauty mark of the parasite upon her cheek. We might just as well take that as anything else. What would Socialism do with that? The doctrines which they apply to their public questions—according to those doctrines they would cut off the young lady's head and mangle her corpse. The trouble is that their remedies are worse than the disease.

He undertook also to classify me with the Tories. Why, he inadvertently made a very frank admission against his own theories of government. You will remember that the Tory was the man who said the people were not able to govern themselves. It was the party of Jefferson and Hamilton and Adams who raised upon the Atlantic shores the banner of liberty, and they placed the powers of government in the hands of the people. They gave them the right to elect their public servants; they surrounded public office with constitutional limitations, and lest in some moment of frenzy the people might be led by the voice of the demagogue, they placed around each department of government environments of constitutional strength and power. They gave you a legislative department to make the laws; they gave you the power by the ballot to elect the men that make the laws; they gave you an executive department to enforce the laws. They gave you the ballot to elect the men that enforce the laws. If those who enforce the laws

don't enforce them justly, you have the power given you in the Constitution of the nation and of the State, to correct every evil of that character. Don't let us misconceive or misconstrue what a Democratic form of government means; it means confidence in the people. If properly enforced, and if proper laws are passed, and if when passed they are enforced, if honest men are placed in public office, if dishonest men are driven from public office by the power of the ballot, you will have honest laws honestly enforced. I am not going to be placed in the position before this audience or any other in defending unjust laws or entrenched privilege. I scorn entrenched privilege everywhere, whether it is seeking to destroy the duties of labor, whether it is seeking to curb the currents of justice, whether it is seeking to destroy the heritage of labor which your fathers gave to you, I would destroy it, and you have the power to destroy it. It is not necessary in order to accomplish this that you destroy the government with it or that you destroy property rights. (Applause.)

Here is where I intend to nail Socialism to the cross and keep it there. I want somebody to tell the laborer who is working in the shoe factory, or whose boys or girls are working for the purpose of earning an honest livelihood, is there any remedy for that condition? Where do you find a remedy in that policy of Anarchy and confiscation, which provides that public utilities shall be controlled by a common ownership and that you acquire public utilities by confiscation? Is there anybody in this land that needs to repel the doctrine of confiscation, that needs to repel the idea of invasion of public rights or public liberty any more than the poor laborer needs to repel it? Is there a citizen under the Flag who needs more the protection of

the principle of equality before the law than the poor laboring man? It is the only legacy you have; it is the only protection you have. You should have it, and if you don't have it, you have the power to get it by your ballots, and it is not either confiscation or Anarchy.

I propounded that question in the beginning, knowing that it would not be answered. This debate will end without its being answered, but there will have to be an admission that it is not answered, except the covert one which was given. Confiscation is Anarchy.

What is the force of the analogy of the colonies declaring their independence? They did not confiscate anything, they did not confiscate any property; they took what they declared in the Declaration of Independence was theirs. (Loud applause in which Mr. De Leon joins, and from many parts of the theatre, shouts of "That's what the Socialists will do.") They did not confiscate the railroads or steamboats (laughter), I was thinking of that platform,—What did they take? Did they take anybody's property? Did they? They didn't take a dollar; they didn't take a dollar of anybody's property; they took their liberty which they declared belonged to them. (Applause.) (Laughter.)

(Continuing.) You are a little too rapid in anticipating my conclusions. There was not a dollar of anybody's property confiscated. Property rights were held sacred; the only thing they demanded was that foreign tyranny of England be removed from their necks. They demanded first, the amelioration of their lands; that unjust tax laws be amended or repealed; they demanded equal opportunities to all men. They did not demand that there be confiscated the public utilities.

We go now to the Rebellion, the instances of what Lin-

coln did in striking the shackles from the slave. That was done as an instance in the war of the Rebellion; it was done as an act of necessity and for the purpose of doing what the laws of this country said would be done from the beginning—give liberty to all. It was accomplished at a time when it could be justified as a military necessity.

I ask you if you find in these two instances a support for the theory of government in these days of opportunities—a support for the Socialist theory of government—in these days when school houses are open to all; and if you do not get education you ought to unite with those demanding it.

You say you are going to start this party of yours by confiscating public utilities, by taking away from the great corporations their vested property rights. Do you know what that means? You are taking it away from the rich. The stock in these corporations is pretty widely scattered; much of it is owned by small investors. You take the Troy dam; you take the canals. (Laughter.)

I am rather ashamed to stand before an audience on a Sunday afternoon in the city of Troy, a city of churches, a city of homes, a city of virtue, a city of patriotism and a city of intelligence, and have to apologize for any eulogy that I make of law and order. I am ashamed that I have to stand before an audience and apologize for lauding the institutions of my country. I am ashamed that I may be laughed at and scoffed at by men who enjoy what they do not enjoy anywhere else, did not enjoy since the creation was started, and do not enjoy anywhere else but here. (Applause.)

If that time has come, and if it is here, if we have got in this campaign or if we have got to face in the future any factor of our political existence that stands upon those doc-

trines, then you are the most dangerous factor that ever stood beneath the Flag. The tyranny of life is nothing compared with the tyranny of Anarchy. The tyranny of entrenched privilege against which you complain is ideal as against that tyranny that would level and destroy, destroy the altar and the home, destroy equality and labor. (Laughter.) I will say when you laugh at that, then the only safety is in your numbers. Bear in mind that no party will grow in this country and succeed which does not cherish those doctrines that are planted in the heart of every man, that stand for law and order and for the rights of others, and for opportunity. (Applause.)

Every man has got some chance himself, and if you have not got it, unite yourselves with those who can give it to you, if they deny it to you.

Don't destroy because one of the ramparts of justice has been stricken down. Don't give up the citadel because Benedict Arnold has sold out the cause. Don't punish the other patriots of the Revolution because there are traitors. Don't denounce religion because there are false prophets in the land. (Applause.)

(Continuing.) Mankind suffers from ills, but don't destroy its opportunities. I plead here for those principles, and I plead that you may understand them, that you may examine them and that you may know what they mean and what the creed that you plead means as applied to them. (Applause.)

(Mr. Carmody then sits down with nine minutes of the time allotted to him unconsumed.)

DANIEL DE LEON, FINAL REBUTTAL.

I regret to see the insistence of my distinguished adversary upon "confiscation." I am surprised that he, a Democrat, should do so. He is thereby repudiating Jefferson. Jefferson's answer to the charge of "confiscation" is the Declaration of Independence—an ample answer.

I also regret to notice the confusion of thought on the part of my distinguished adversary concerning the liberties that "Jefferson and Hamilton gave to our people." Does not my distinguished adversary know that what Hamilton wanted was not what Jefferson wanted and got; and does he not know that the Democratic party has since thrown Jefferson overboard and become Hamiltonian?

My distinguished adversary says we are the worst factors in society. We are not afraid of such charges. That was the charge that the patriciate of the old Roman Empire made against the early Christians; that was the charge that the Roman Catholic political hierarchy later hurled at the Protestants; that was exactly the charge that the Democratic Bourbon Copperheads flung at the Abolitionists. We Socialists have not yet been tarred and feathered and ridden on rails as the Abolitionists were. (Voice from the audience: "What are they doing in California?") Be not too hasty. The Socialist of America denies all affinity with the element whose leading song has for its refrain: "Hallelujah, Hallelujah, I'm a bum!" Mere declamation is not enough to prove that the Socialist is "the worst enemy in society."

My distinguished adversary insists that I have not answered his questions.

I maintain that it is he that has abandoned the field. If he desires to debate the subject of Socialism, I am ready. Right here I challenge him to debate on some specific subject concerning Socialism—"Confiscation," if he likes, or the subject that "The political State, or Capitalism, must now make room for the Industrial Government, or Socialism." The question of Socialism requires a careful gathering of facts, and close reasoning. Declamation will not stand.

In the few minutes left to me I shall rapidly take up and dispose of some of my distinguished adversary's last points.

My distinguished adversary said that my remedy for that young lady with the flea on her cheek would be to hack off her head. Indeed not! I distinctly said she would take the parasite between her two nails and nip off its life. Nor is that the treatment we have in store for the capitalist class. We would give them a chance, for once in their lives to earn an honest living.

My distinguished adversary said that confiscation is Anarchy. I have already and amply covered the subject of "confiscation." But as to "Anarchy," what is Anarchy? A word upon that. Anarchy is that theory of society under which man is a law unto himself. It is a theory of society that denies the collectivity. It is a theory of society that finds vastly more affinity with the Capitalist class than it does with the Socialist. It is a theory of society that would throw mankind back to the primitive state. It denies the propriety of central government. He who speaks of Socialist policies as Anarchy should premise the statement with a book on his theory of Anarchy. Such a man's

theory of Anarchy would be found absolutely at war with all the teachings of political science. To say that Socialism is Anarchy is to fly in the face of political science.

A word, in connection with "Confiscation" as to what the Revolutionary Fathers did. I refer my distinguished adversary to the fiscal history of George III's troubles. The colonists took vastly more than Mr. Carmody imagines. To gauge how much they took, look at the subsequent famines in India. Unable to keep its hands upon what it considered its legitimate property in the colonies, the British Crown had to fall back upon the Hindoos to recoup itself. Socialism does not, cannot contemplate the "confiscation" of existing wealth, for the simple reason that the wealth of society to-day IS the property of the working class; they produced it. They would be only "taking their own"—just as the colonists did.

We are asked for a complete list of items of the Socialist Republic. The same demand has been made before upon great men upon great occasions—and with as little sense.

When Columbus proposed to start on his trip to discover the eastern shores of Asia, there were people of my distinguished opponent's bent of mind who asked him where the mountains, and the mouths of rivers, and the harbors would lie. His answer was: "I do not know, and I do not care. Wh t I do know is that the world being round, if I travel westward I must strike land."

If Columbus is too ancient in history, take Washington. When he was fighting the battles of independence there were Tory pamphleteers who pestered him and the other Revolutionary Fathers with questions upon the kind of government they contemplated—was it to be a Venetian Doge affair, a Dutch Republic of high Mightinesses, or

what? Washington's answer was: "First lick the British."

Impossible for the capitalist system with its political state to continue. The Goddess of Liberty cannot sit upon bayonets. With a logic similar to that of Columbus's answer, the Socialist says that the Co-operative Commonwealth, or the Industrial Government is next in the order of social systems. No more than Washington can we give details in advance, and like Washington we say: First lick the British of to-day.

We are told "the Courts are open to all," yet in these days what is the cry that is going up from one end of the country to the other?—the cry of the "Recall."

We are told the doors of our schools are open—and relatively fewer and fewer of the workers' children can attend. Their fathers earn too little to clothe and feed them for school.

We are told to use the ballot. You bet we will!

The Constitution of the United States was the first to provide for its own amendment. The Consitution of the United States thereby recognized, or, rather, legalized revolution, to use the language of a celebrated man in this country. In the language of Washington, our people hold the government in the hollow of their hand. The facts that I have adduced, the arguments that I have presented demonstrate that the time has come for the oppressed in this country to make use of that Constitution's amendment clause, and put an end to the capitalist social system. As Socialists, as men who stand upon the International principles of Socialism, as men who recognize that the Political State is rotten-ripe for overthrow, we organize the Industrial Unions to seize the reins of future government, and enforce the fiat of the ballot should the reactionists, the

Bourbon-Copperheads of this generation, rise against it.

It is in the hands of the Socialists that the American Flag is in the keeping of. It is the Socialists who are to-day bracing themselves against the attempt, and who will block the attempt to re-introduce despotism under the folds of the Flag.

We certainly do propose to use the ballot for all that it is worth. We are children of the Twentieth Century, and as such we propose to deport ourselves. (Prolonged applause.)

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Abridged from the Translation by DR. HODGSON in 1852



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THINGS SEEN AND THINGS NOT SEEN.

CHAPTER I.

THE BROKEN PANE.

HAVE you ever witnessed the rage of the worthy citizen Jacques Bonhomme,* when his rogue of a son has happened to break a pane of glass? If you have ever been present at this spectacle, assuredly you must have observed that all the bystanders, were they as many as thirty, made haste with one accord to offer to the unfortunate owner this never varying consolation, "It is an ill wind that blows nobody good. Such accidents do good to industry. Every body must live. What would become of the glaziers, if windows were never broken?"

Now in this formula of condolence there is an entire theory, which is the basis of the economic errors of a large part of the world.

Supposing that six francs (five shillings) are re

* Jacques Bonhomme is to the French what John Bull is to the English.

quired to repair the damage, if it is meant that the accident brings six francs to the glazier, and encourages his industry to the extent of six francs, I grant it readily: the reasoning is just. The glazier comes, he finishes the job, he pockets six francs, rubs his hands, and in his heart blesses the mischievous urchin. *This is what is seen.*

But if, by way of inference, it be concluded, as it is too often, that it is a good thing to break windows, that it makes money circulate, that the result is an encouragement to industry in general, I am obliged to cry *halt!* Your theory stops at *what is seen*, it takes no account of *what is not seen*.

It is not seen that since our citizen has spent six francs on one thing, he cannot spend them on another. It is not seen that if he had not had that pane of glass to replace, he would have replaced, for example, his shoes now down at heel, or would have placed another book in his library. In short, he would have made of those six francs some use which now he cannot make.

Let us then look at the industry of the country as a whole.

The pane of glass being broken, the industry of the glazier is encouraged to the extent of six francs; *that is what is seen.*

If the window had not been broken, the industry of the shoemaker (or some other) would have been encouraged to the extent of six francs: *this is what is not seen.*

And if one took into consideration *what is not seen*, because it is a negative fact, as well as *what is*

seen, because it is a positive fact, one would understand that it is of no consequence whatever to industry in general, or to the sum of national industry, that windows should be broken or should not be broken.

Let us now make the reckoning of Jacques Bonhomme.

In the first case supposed, that of the broken pane, he spends six francs, and has neither more nor less than before, the enjoyment of a pane of glass.

In the second, that is, if the accident had not happened, he would have spent six francs in shoes, and would have had at once the enjoyment of a pair of shoes and that of a pane of glass.

Now, as Jacques Bonhomme forms part of society, it must thence be concluded that, considered in its totality, and the balance of its labours and enjoyments being fairly struck, society has lost the value of the broken pane.

Hence we arrive at these conclusions—

“Society loses the value of objects uselessly destroyed.”

“To break, to destroy, to dissipate, is not to encourage the national industry.”

“Destruction is not profit.”

The reader must try to establish clearly that there are not two persons only, but three in the little drama to which I have called his attention. The first, Jacques Bonhomme, represents the consumer reduced by the breaking of the pane to one enjoyment instead of two. The second, the glazier, is the producer whose industry is encouraged by the accident. The

third is the shoemaker (or any other craftsman), whose industry is discouraged to the same extent by the same cause.

It is the third person who is always kept in the shade, and who, personifying *what is not seen*, is a necessary element in the problem. It is he who shows us how absurd it is to see a profit in a destruction. It is he who will soon teach us that it is not less absurd to see a profit in protection, which is, after all, a form of destruction. Indeed, if you go to the root of all the arguments which are used in favour of restriction or protection, you will find that they all resolve themselves into another way of saying, "*What would become of the glaziers, if windows were never broken?*"

CHAPTER II.

THE COST OF AN ARMY.

IT is with a nation as with a man. When a nation wishes to allow itself a satisfaction, it must consider whether the satisfaction is worth what it costs. Security is the greatest of national blessings. If, to acquire it, it is necessary to organise a hundred thousand men, and to spend a hundred millions (of francs), I have nothing to say. It is an enjoyment purchased at the price of a sacrifice.

Let there be no mistake, then, as to the scope of my position.

A member of Parliament proposes to disband a hundred thousand men, in order to relieve the taxpayers to the extent of one hundred million of francs.

The taxpayers may reply:—"These hundred thousand men, and these hundred millions, are indispensable to the national security; it is a sacrifice, but without this sacrifice France would be torn by factions, or invaded by a foreign enemy." To this argument I have nothing to oppose. It may be true or false in fact, but it involves no heresy in economic theory. The heresy begins with the attempt to represent the sacrifice as an advantage, because it profits some one.

Yet the moment such a proposition is made some one will exclaim, "Disband a hundred thousand men! are you serious? What will become of them? How will they subsist? Will it be by labour? But do you not know that labour everywhere wants employment—that every occupation is overstocked? Would you throw them into the market, to increase competition and to depress wages? At a time when it is so difficult to earn the humblest livelihood, is it not fortunate that the State gives bread to a hundred thousand men? Consider, besides, that the army consumes wine, clothes, arms—that it thus creates activity in the workshops in the garrison towns; and that it is, in a word, the providence of the numberless persons who live by supplying its wants. Do you not shudder at the thought of annihilating this immense industrial movement?"

This argument, it will be seen, leaves on one side the necessities of the service, and attempts to justify the maintenance of a hundred thousand soldiers on alleged economic considerations. It is these considerations only that I have to refute.

A hundred thousand soldiers and all the work-people and tradesmen who supply their wants are supported by means of the hundred million francs subscribed by the taxpayers. *This is what is seen.*

But the hundred millions, being taken from the pockets of the taxpayers, cease to support these taxpayers and those who supply their wants: *this is what is not seen.* Make the calculation, put down the figures, and tell me where is the profit for the nation as a whole.

On my side, I will tell you where the loss is ; and for simplicity's sake, instead of speaking of a hundred thousand men and of a hundred million of francs, let us reason on one man and a thousand francs.

Let us take the village of A. The recruiting sergeants make their round, and carry off a man. The tax-gatherers make their round also, and carry off a thousand francs. The man and the money are transported to Metz, the money keeps the man for a year in barracks. If you look only at Metz you will see an advantage ; but if you cast your eyes to the village of A. you will think otherwise ; for, unless you are blind, you will see that this village has lost a labourer, and has lost the thousand francs which he would have earned by his labour, and has lost the activity which, by the outlay of those thousand francs, he would have diffused around him.

At the first glance, it would seem that the two cases exactly balance ; that what before passed in the village of A. now passes at Metz, and that is all. But the loss is in this. In the village a man dug and worked ; he was a labourer : at Metz, he goes through his facings—eyes right, eyes left ; he is a soldier. The money and its circulation are the same in the two cases ; but in the one case there are three hundred days of useful labour, in the other three hundred days of useless labour, always on the supposition that a part of the army could be disbanded without risk to national security.

Now, let us consider the proposed disbanding. You point to an increase of a hundred thousand labourers, increased competition, and the lowering

effect of that on the rate of wages. That is what you see.

But here comes what you do not see. You do not see that to disband one hundred thousand soldiers is not to annihilate a hundred million francs, but to restore them to the taxpayers. You do not see that by thus throwing a hundred thousand labourers on the market, you throw, by the very same act, into the market the hundred millions destined to pay their labour; that, consequently, the same measure which increases the *supply* of labour increases also the *demand* for it; whence it follows that your fall of wages is an illusion. Before, as after, the disbanding, there are in the country a hundred million francs, corresponding to a hundred thousand men. But *before* the disbanding the country gave the hundred millions to the hundred thousand men for doing nothing; *after*, it gives the same amount of money to the same number of men for doing something. I repeat that whether a taxpayer gives his money to a soldier in exchange for nothing, or to a labourer in exchange for something, all the ulterior consequences as to the circulation of the money are the same; only, in the second case, the taxpayer receives something, in the first he receives nothing. Therefore, if the soldiers are not required for national security, their maintenance is pure loss to the nation.

Let those who think otherwise answer this question:—If you can add to the wealth of the nation by maintaining soldiers, why not enlist the whole population?

CHAPTER III.

GOVERNMENT EXPENDITURE.

HAVE you never happened to hear it said, "Government expenditure is a fertilising dew? See how many families it supports, and how many industries it benefits."

This is only another example of what I have explained before.

When a Government servant spends for his profit *five francs more*, that implies that a taxpayer spends for his profit *five francs less*. But the outlay of the functionary *is seen*, because it is made; whilst that of the taxpayer is *not seen*, because it is prevented from being made.

What is very certain is, that when Jacques Bonhomme pays five francs to the tax-gatherer, he receives nothing in return. When, by-and-by, a functionary who spends those five francs returns them to Jacques Bonhomme, it is in exchange for an equal value in corn or in labour. The net result is for Jacques Bonhomme a loss of five francs.

It is very true that frequently, most frequently if you will, the functionary renders Jacques Bonhomme an equivalent service. In this case, there is

no loss on either side, but only exchange. My argument, however, does not at all apply to useful functions. What I say is this: if you wish to create an office, prove its usefulness; prove that the services which it renders to Jacques Bonhomme are an equivalent for what it costs him. But do not urge that the mere employment of the functionary encourages industry.

When Jacques Bonhomme gives five francs to a functionary in return for a service really useful, the transaction is similar to giving five francs to a shoemaker for a pair of shoes. Both sides are quits. But when Jacques Bonhomme gives five francs to a functionary to receive no service in return, or even to receive annoyance, it is as if he gave them to a robber. It is of no use to say that the functionary will spend these five francs to the great advantage of the *national industry*; the robber would have done as much. Jacques Bonhomme would have done as much himself if he had not met on the road either of those robbers, the legal or the extra-legal.

Let me take a case. I am about to arrange with a ditcher to have a trench made in my field, at a cost of five francs. At the moment of concluding my bargain the tax-gatherer takes my five francs, and forwards them to the Minister of the Interior; my bargain is broken off, but Monsieur the Minister will add a dish to his dinner. Upon this you dare to affirm that this official outlay is an increase of the national industry! Do you not understand that there is here only a *displacement* of satisfaction and of labour? A minister has his table better furnished,

it is true ; but a farmer has his field worse drained, and that is not less true. A Parisian cook has gained five francs, I grant you ; but grant me that a provincial ditcher has missed gaining five francs. All that can be said is, that the official dish and the cook contented are *what is seen* ; the marshy field, and the ditcher without work, are *what is not seen*.

Good heavens ! What a labour to prove, with political economy, that two and two make four ; and if one succeed in this attempt, you cry, " It is so clear, that it is tiresome." And afterwards you vote as if nothing had been proved at all.

CHAPTER IV.

PUBLIC WORKS.

NOTHING is more natural than that a nation, when convinced that a great undertaking would be of service to the community, should execute it by means of a contribution raised from the community. But I lose patience, I confess, when I hear alleged in support of such a resolution this economic absurdity—"It is, besides, a means of creating employment for the workmen."

The State makes a road, builds a palace, improves a street, digs a canal; it thus gives employment to certain workmen—*that is what is seen*; but it deprives of employment certain other workmen—*this is what is not seen*.

Take a road in course of execution. A thousand workmen come every morning, go away every evening, receive their wages—that is certain. If the road had not been decreed, if the funds had not been voted, those worthy people would not have found in that place either work or wages. This also is certain.

But is this all? Must not the State organise the receipt as well as the outlay? Must it not send its tax-gatherers abroad, and lay its taxpayers under contribution?

Let us then study the question in its twofold bearing. While we mark the destination which the State gives to the millions voted, let us not neglect to mark the destination which the taxpayers would have given—and can no longer give—to those same millions. You will then understand that a public enterprise is a medal, with two sides. On one appears a workman employed, with this device—*What is seen* ; on the other, a workman unemployed, with this device—*What is not seen*.

The sophism which I combat in this treatise is so much the more dangerous, when applied to public works, that it serves to justify enterprises the most foolish, and prodigality the most wanton. When a railway or a bridge has a real utility, it is enough to appeal to that utility ; but if one cannot, what is done ? Recourse is had to that mystification—“ Employment must be provided for the workmen.”

Therefore, orders are given to make and unmake terraces in the Champ de Mars. The great Napoleon, it is well known, thought that he performed a philanthropic act in employing men to dig pits and fill them up again. He used also to say : “ What signifies the result ; we must consider only the wealth diffused among the working classes ? ”

Let us go to the bottom of the question. It is money that deceives us. To demand money from all the citizens for a common work, is in reality to demand their labour : for each one of them obtains by labour the sum which he has to pay in taxes. Now, it is quite intelligible that all the citizens should unite to accomplish, by their common labour, a work useful

to all: their reward would be in the results of the work itself. But that they should be required to make roads where no one will pass, to build palaces which no one will inhabit, and all this under pretext of procuring for them work, is an absurdity, and they would have good reason to reply—"This work is of no use to us; we prefer to work on our own account."

The process, which consists in making the citizens contribute in money and not in labour, does not in the least change the general result: only, by the latter proceeding, the loss would be shared by all. By the former, those whom the State employs escape their share of the loss, by adding it to that which their fellow-citizens have already to undergo.

There is an article of the constitution to this effect:—"Society favours and encourages the development of industry, by establishing, by means of the State, of the departments and the communes, public works suitable for occupying the hands unemployed."

As a temporary measure, in a time of crisis, during a severe winter, this intervention on the part of the taxpayer may have good effect. It acts in the same way as an insurance office. It adds nothing to work or to wages, but it takes the work and wages of ordinary times, to bestow them, with loss it is true, on periods of difficulty.

As a permanent, general, systematic measure, it is nothing but a ruinous mystification, an impossibility, a contradiction which shows a little stimulated labour *which is seen*, and hides much prevented labour *which is not seen*.

CHAPTER V.

THE MIDDLEMAN.

SOCIETY is the sum of the services which men render to each other willingly, or on compulsion, that is to say, of *public services*, and of *private services*.

The first, imposed and regulated by the law, which it is not always easy to change when it ought to be changed, may with it long survive their first utility, and still preserve the name of *public services*, even when they are no longer services at all, even when they are only public vexations. The second are within the domain of the individual will and responsibility. Everyone gives and receives what he will, what he can, after full debate. They have always in their favour the presumption of real utility, exactly measured by their comparative value.

It is for this reason that the former are so often struck motionless, while the latter obey the law of progress. The exaggerated development of public services, by the loss of force which it involves, tends to constitute in the heart of society a fatal canker. Yet many modern sects are so blind to this evil that they are always seeking to extend "State enterprise."

These sects protest strongly against what they call *middlemen*. They would willingly suppress the capi-

talist, the banker, the speculator, the contractor, the retailer, and the merchant, accusing them of interposing between production and consumption, in order to levy contributions on both, without rendering any value in return. Or rather they would transfer to the State the work which these middlemen accomplish, for that work could not be suppressed.

The sophism of the socialists on this point consists in showing to the public what it pays to *middlemen* in exchange for their services, and in hiding from them what they would have to pay to the State. It is always the struggle between what strikes the eye and what appears only to the mind, between *what is seen* and *what is not seen*.

It was especially in 1847, and on occasion of the scarcity, that the socialist schools endeavoured with success to make their fatal theory current among the people. They knew well that the most absurd doctrine has always some chance of disciples among men who suffer; "*malesuada fames*." ("Hunger which persuades to evil.")

Then by the aid of great phrases—"one man making profit by the ruin of another, speculation on hunger, monopoly"—they strove to calumniate commerce and to hide its benefits.

Why, said they, leave to merchants the care of bringing food from the Crimea and the United States? Why does not the State organise a service for supply and storing of provisions? The State would sell to the people at *cost price*; the poor would be freed from the tribute which they now pay to commerce.

The tribute which the people pay to commerce,

that is what is seen. The tribute which the people would pay to the State, or its agents, on the socialist system, *that is what is not seen.*

In what consists this pretended tribute which the people pay to commerce? In this—that two men render a reciprocal service, in all liberty, under the influence of competition, and at a price settled by debate.

When the hungry stomach is at Paris, and when the corn that can satisfy it is at Odessa, the suffering cannot cease unless the corn and the stomach meet. There are three ways of effecting this meeting:—1st, the hungry men may themselves go to seek the corn; 2nd, they may employ those who make this their business; 3rd, they may contribute from their means and charge public functionaries with the operation.

Of these three ways, which is the most advantageous?

Men have always *voluntarily* chosen the second, at all times, in all countries, and I confess that this fact alone suffices, in my eyes, to place the presumption on that side. My mind refuses to admit that the whole human race are deceived in a matter which touches them so nearly.

Let us examine, nevertheless.

That thirty-six millions of French citizens should go to seek at Odessa the corn which they need is evidently impossible. The first way, therefore, may be set aside. The consumers, not being able to act by themselves, are obliged to have recourse to *middlemen*, whether functionaries or merchants.

Let us here remark, however, that the first way would be the most natural. In truth, it is for him who is hungry to go to seek his corn. It is a *labour* which concerns him; it is a *service* which he owes to himself. If another man by any title whatsoever renders him this *service* and takes this trouble for him, that other has a right to compensation. I say this now to show that the services of middlemen deserve remuneration.

In any case recourse must be had to what the socialists term a parasite. I ask which of the two, the merchant or the functionary, is the less exacting parasite?

Merchants—middlemen if you will—are led by interest to study the seasons, to learn day by day the state of crops, to collect information from all quarters of the globe, to foresee wants and to take precautions for their supply. They have ships ready, correspondents everywhere, and their immediate interest is to buy as cheaply as possible, to economise on all the details of the operation, and to attain the greatest results with the least effort. It is not only French merchants, but the merchants of the whole world who are engaged in supplying France with provisions in the day of need; and if interest leads them irresistibly to perform the task at the least expense to themselves, their competition with each other leads them, not less irresistibly, to give the consumers the advantage of the economies they have effected. The corn arrives. It is the interest of the merchants to sell it as soon as possible to avoid risks, to realise their funds,

and begin anew if occasion permit. Guided by comparison of prices, they distribute food over the whole surface of the country, beginning always at the dearest point, that is to say, where the want is most keenly felt. It is not then possible to imagine an *organisation* better calculated for the interest of those who want food; and the beauty of this organisation, unperceived by the socialists, results precisely from its being free. Of course, the consumer is obliged to repay to the merchants their cost of transport, shipments, storage, commission, etc.; but on what system would it not be necessary for the man who eats the corn to repay the expenses incurred in bringing it within his reach? It is necessary, besides, to pay a remuneration for the *service rendered*; but the amount of that remuneration is reduced to the *minimum* possible by competition.

Suppose the State were to take the place of independent merchants, what would be the result? Where would be the saving to the public? Would fewer ships be required, fewer sailors, fewer shipments, less storage, or would payment for all these things be dispensed with? Would it be in the merchants' profit? But would your delegates and functionaries go to Odessa for nothing? Would they undertake the voyage and the labour on the principle of fraternity? Must they not live? Must not their time be paid for? And do you think that this would not exceed a thousand times the two or three per cent. that the merchant gains—a rate to which he is ready to bind himself?

And then, think of the difficulty of raising so many taxes, of distributing so much food. Think of the injustice, of the abuse, inseparable from such an enterprise. Think of the responsibility which would weigh on the government.

The socialists do not see that society, under the influence of freedom, is a true association of human beings for their common good.

Let us illustrate this by an example.

That a man may, on rising, be able to put on a coat, land must have been enclosed, cleared, drained, ploughed, sown with a certain sort of vegetable; flocks must have been fed; their wool must have been shorn, spun, woven, dried, and converted into cloth; this cloth must have been cut, stitched, made into clothing. And this series of operations implies a multitude of others; for it supposes the use of agricultural implements, sheepfolds, manufactories, coal, machines, vehicles, etc.

If society were not really an association, the man who wants a coat would be obliged to labour alone, and by himself to accomplish the innumerable acts of this series, from the first stroke of the mattock, with which it begins, to the last stroke of the needle, with which it ends.

But thanks to the sociability which is the distinctive character of our species, these operations are distributed among a multitude of labourers, and it is to be noted that the larger the consumption becomes, the greater is the subdivision of labour, for when consumption is large, each special operation can be made the work of a special industry. If, for example,

in the course of the operation, transport becomes sufficiently important to occupy one person, spinning a second, weaving a third, why should the first be regarded as more a *parasite* than the two others? Must not the transport be effected? Does not he who effects it devote to it time and labour? Does he not spare the time and labour of his associates? Is not this exactly what those do for him? Is not the remuneration of all—that is their share of the product—equally subject to the law of supply and demand? Is not this division of labour effected for the common good? What need is there, under pretext of organisation, to destroy these voluntary arrangements? Does an association cease to be an association because each person enters and quits it freely, chooses his place in it, judges and stipulates for himself on his own responsibility, and brings to his share of the common work the stimulus and guarantee of his personal interest?

CHAPTER VI.

PROTECTION.

MR. PROHIBITOR employed his time and his capital in converting into iron the mineral on his estates. As nature had been more liberal towards the Belgians, they supplied iron to the French cheaper than Mr. Prohibitor could do, that is to say, the French people could obtain a given quantity of iron *with less labour*, by purchasing it from the Flemings instead of purchasing it from Mr. Prohibitor. Guided by their interest, the French people did not complain of this; but every day witnessed a multitude of nailers, smiths, cartwrights, machinists, farriers, and workmen, on their way, personally, or represented by middlemen, to provide themselves in Belgium with the iron they wanted. This very much displeased Mr. Prohibitor.

At first he thought of stopping this abuse by his own strength. This was, indeed, the fairest plan, as he alone suffered. I will take my musket, he said to himself, I will stick four pistols in my belt, I will fill my cartridge-box, I will gird on my trusty sword, and thus equipped, I will make for the frontier; and there, the first smith, nailer, farrier,

machinist, or locksmith that may present himself, with the object of buying Belgian iron instead of mine, I will kill him in order to teach him how to live.

At the moment of setting out, Mr. Prohibitor made some reflections which tempered a little his warlike ardour. He said to himself:—In the first place, it is not absolutely impossible that my fellow-countrymen, who are buyers of Belgian iron, may take my doings amiss, and instead of allowing me to kill them, may kill me. In the second place, even if I were to take with me all my servants, we could not guard all the passages. Finally, the proceeding would cost me very dear, dearer than the result is worth.

Mr. Prohibitor was sorrowfully about to resign himself to being simply free like everyone else, when a bright thought flashed across his brain.

He remembered that at Paris there is a great manufactory of laws. What is a law? he said to himself. It is a measure to which, when once decreed, be it good or bad, all are obliged to conform. For the execution of a law, a public force is organised, and to constitute the said public force, men and money are taken from the nation.

If, then, I obtained from the great Parisian law-factory a little law to this effect—"Belgian iron is prohibited"—I should obtain the following results:—The Government would, instead of the few servants whom I wished to send to the frontier, send twenty thousand sons of my refractory blacksmiths, locksmiths, nailers, farriers, artisans, machinists, and labourers. Next, in order to keep in good condition

of health and spirits these 20,000 custom-house guards, Government would distribute among them 25 millions of francs, taken from those same blacksmiths, nailers, artisans, and labourers. The guard would be more effective; it would cost me nothing; I should not be exposed to the brutality of hagglers about price; I should sell my iron on my own terms; and I should enjoy the sweet satisfaction of seeing our great nation ingloriously mystified. That would teach it to proclaim itself incessantly the precursor and promoter of all progress in Europe. The game will be exciting, and is well worth the attempt.

Mr. Prohibitor repaired accordingly to the manufactory of laws. I may, some other time, tell the story of his secret negotiations; but at present I will speak only of his ostensible proceedings. He addressed to the honourable lawmakers the following considerations:—

“Belgian iron is sold in France at ten francs, and this obliges me to sell mine at the same price. I should greatly prefer to sell mine at fifteen, and I cannot on account of this Belgian iron, which may heaven confound. Construct a law which shall say, ‘Belgian iron shall no longer enter France.’ Immediately I raise my price five francs, and see the consequences.

“For every cwt. of iron that I shall sell to the public, instead of receiving ten francs, I shall receive fifteen; I shall become rich all the sooner; I will enlarge my works, I will employ more workmen. My workmen and I will expend more, to the great advan-

tage of all who supply us for many leagues round. These, too, having a greater demand for their products, will give greater employment to industry, and by degrees activity will be diffused through the whole country. This blessed five franc piece which you will drop into my pocket will, like a stone thrown into a lake, spread to a distance an infinite number of concentric circles."

Charmed by this discourse, enchanted to learn that it was so easy by legislation to increase the wealth of a nation, the fabricators of laws voted for protection. Why speak of labour and economy? they said. What avail those toilsome means of augmenting the national riches when an Act of Parliament suffices?*

And, in fact, the law had all the consequences announced by Mr. Prohibitor; only it had others also, for, to do him justice, he had made not a *false* reasoning, but an *incomplete* reasoning. In demanding a privilege, he had pointed out the effects *which are seen*, leaving in the shade those *which are not seen*. It is for us to repair this defect of observation, involuntary or designed.

The five francs thus directed by legislation into the pocket of Mr. Prohibitor undoubtedly constitute an advantage for him and for those whose labour he

* For reasons which it would require long explanation to render intelligible, the translator has thought it right to depart considerably from the original in the rest of this chapter. While he regards the change he has ventured to make as due at once to the subject, and to the author himself (whose other works are the best comment upon this), it seems due to the reader that this intimation should be made.

employs. And if the new law had brought that five francs down from the moon, these good effects would not have been counterbalanced by any compensating bad effects. Unhappily, it is not from the moon that the mysterious five-franc piece proceeds, but in truth from the pockets of a smith, a nailer, a cartwright, a farrier, a labourer, a builder, in a word, from the pocket of Jacques Bonhomme himself, who has to pay fifteen francs for exactly the same quantity of iron for which he used to pay ten francs. At the first glance, it must be perceived that the question is thus greatly changed, for, very clearly, the profit of Mr. Prohibitor is compensated by the loss of Jacques Bonhomme, and all that Mr. Prohibitor will be able to do with those five francs for the encouragement of national industry, Jacques Bonhomme would have done himself. He could have thrown the stone into the lake just as well as Mr. Prohibitor, and there would have been just as many concentric circles.

Let us first see what the position was before the issuing of the supposed law. Jacques Bonhomme is possessed of 15 francs, the reward of his labour. What does he do with these 15 francs? Mr. Prohibitor being obliged by Belgian competition to sell his iron at ten francs, Jacques Bonhomme buys from him a cwt. of iron for that sum, and still retains five francs. He does not throw them away, but (*and this is what is not seen*) he transfers them to some branch of industry in exchange for some enjoyment—for example, to a bookseller, for “Bossuet’s Discourse on Universal History.” Thus the national industry is encouraged to the full extent of 15 francs,

namely, 10 francs which go to the iron-master and 5 francs which go to the bookseller. In addition, Jacques Bonhomme obtains for his 15 francs two objects of satisfaction, namely, first, a cwt. of iron, and second, a book.

But it will be said:—"You assume that Jacques Bonhomme buys the iron from Mr. Prohibitor. Were he, however, to buy the Belgian iron, would not the French national industry lose precisely what the Belgian national industry gained?" The answer is easy:—"Not so; the Belgian will not give his iron for nothing (though if he did, would that be a calamity for Frenchmen who wanted the iron?) He demands an equivalent. What is that equivalent to be? All exchange is of commodity against commodity. Thus, either directly in the form of French goods, or indirectly in the form of money, which has been obtained, as only it can, by the previous sale of French goods, the Belgian receives in exchange for his iron, precisely as does Mr. Prohibitor, some product of French industry. In the one case, as in the other, the national industry is equally encouraged."

Next, suppose that the law has been passed. What, then, is the condition of Jacques Bonhomme? What is that of the national industry? Jacques Bonhomme, who pays his fifteen francs to Mr. Prohibitor in exchange for a cwt. of iron, has no more than the enjoyment of that cwt. of iron. He loses five francs. Who gains them? Certainly not the national industry. For, after the law, as before, the national industry can *at most* (with a reserve to be yet made)

be encouraged only to the extent of fifteen francs—five of which, in the one case, are employed by Jacques Bonhomme for his own satisfaction, and in the other, transferred to Mr. Prohibitor for his. It is Mr. Prohibitor who alone gains the five francs that Jacques Bonhomme loses.

Thus *what is not seen* at least balances *what is seen*; only there remains, as residue of the operation, an injustice—and, alas! an injustice perpetrated by the law.

But this is not all. A multitude of preventive officers must be maintained, not in any useful, or even harmless employment, but for the sole purpose of forbidding the passage of Belgian iron across the French frontier. Even if the cost were borne by Mr. Prohibitor, for whose sole advantage the exclusion is enforced, this would be a loss. The cost, however, is borne, not by Mr. Prohibitor, but by the community, who thus (in addition to the loss of the industry of all these officers) suffer doubly: first, in the enhanced price of iron; second, in the taxes levied in order to enforce this very enhancement. There is a twofold injustice, and to Jacques Bonhomme a twofold loss. And even if his first loss, caused by the advanced price of iron, were exactly compensated (waiving the question of injustice) by the increased gain of Mr. Prohibitor—the second, at least, is pure, uncompensated loss to Jacques Bonhomme and to the whole French nation. This again is *what is not seen*, though surely it is important that it should be seen. And, be it once for all observed, that what is true of absolute *prohibition*, is true, *in degree*, of

protection in every form, however modified, and under whatever plausible name it may assume.

The violence which Mr. Prohibitor himself employs at the frontier, or which he causes the law to employ for him, may be judged very differently in its moral aspect. There are persons who think that spoliation loses all its immorality provided it be legal. For my part, I can imagine no circumstance of greater aggravation. But, however that may be, certain it is that the economic results are always bad. Turn the matter over how you will, but look keenly, steadily, and you will see that no good issues from spoliation, legal or illegal. To use violence is not to produce, it is to destroy. Alas! if violence were production, this France of ours would be much richer than she is!

CHAPTER VII.

MACHINERY.

“CURSE on machines! every year their power, continually progressive, consigns to pauperism millions of workmen, by depriving them of work, consequently of wages, consequently of bread! Curse on machines!”

This is the cry raised by vulgar prejudice.

But to curse machines, is to curse the intelligence of man! I am amazed that any man should be found to hold such a doctrine.

For, were it true, what is its inevitable consequence? That activity, well-being, riches, happiness, are possible only among nations stupid, mentally torpid, to whom God has not given the fatal gift of thought, of observation, of combination, of invention, so as to obtain the greatest results with the smallest means. On the other hand, rags, miserable hovels, poverty, famine, are the inevitable portion of every nation which seeks and finds, in iron, in fire, in wind, in electricity, in magnetism, the laws of chemistry and of mechanics—in a word, which finds in the forces of nature a supplement to its own force.

This is not all: if this doctrine is true—as all men think and invent—as all, in fact, from the first to the

last, and at every moment of their existence, seek to gain the co-operation of nature's forces, to make more with less, to reduce their own manual labour, or that of others for which they pay, to attain the greatest possible sum of satisfaction with the least possible sum of toil—it must be concluded that humanity at large is drawn towards its decline precisely by that intelligent aspiration towards progress which impels each of its members.

Hence we ought to find the inhabitants of Lancashire flying from that land of machinery to seek work in Ireland, where machinery is less used.

There is, evidently, in this mass of contradictions something which shocks and warns us that the problem contains some element of solution not yet sufficiently evolved.

The whole mystery is in this: behind *what is seen* lies *what is not seen*. I will endeavour to bring it to the light. My demonstration can be only a repetition of the foregoing, for the problem is virtually the same.

It is an inclination natural to all men, if they are not hindered by violence, to seek cheapness*—that is to say, what with equal satisfaction saves them labour—whether that cheapness comes from a skilful *foreign producer*, or from a skilful *mechanical producer*.

* Bastiat has remarked in another of his works that the word *cheapness* has no precise equivalent in French. Its substitute is *bon marché*, *i.e.* good market. A cheap market is, consequently, a good market, *i.e.* for the buyers; but that means the whole community; for if *each man* sells *one* sort of article, and is so far interested in *its* dearness, *all men*

The theoretic objection brought against this tendency is the same in the two cases. In one case as in the other, it is reproached with having reduced so many labourers to idleness. Now, to render labour not *inactive*, but free and at *disposal*, is precisely the scope and result of this inclination. Hence, in both cases also, it is opposed by the same practical obstacle—violence. The legislator prohibits foreign competition, and discourages mechanical competition. For what other means can there be to arrest an inclination natural to all men but to deprive them of their liberty?

In many countries, it is true, the legislator strikes with the arm of law only one of those two sorts of competition, and contents himself with lamenting the other. But this only proves that in those countries the legislator is inconsistent.

This need not surprise us. In a wrong course, men are always inconsistent; otherwise humanity

buy *many* sorts of articles, as many as possible, and are consequently interested in *their* cheapness. The praise of dearness, in which protectionists are insane or impudent enough to indulge, is thus in contradiction to universal experience and conviction, as expressed in the very structure of one of the richest and most refined languages in the world. But Bastiat was not aware that the English *cheap* is only an abbreviated form of the same circumlocution as the French *bon marché*. *Cheap*—(*chap*-man; *chop*, *i.e.*, exchange; Ger. *kauffen*; Scot. *coff*; Fr. *a-~~chep~~-ter* (*acheter*), *Cheap*-side, etc., etc.) means only *purchase*, and the full phrase is *good-cheap*, which is still retained as a proper name. In process of time the adjective has been dropped, the noun having absorbed its meaning into its own.—*Translator*, 1852.

would perish. Never have we seen, and never shall we see, a false principle pushed to its full length. I have elsewhere said: Inconsistency is the limit of absurdity. I might have added: It is at the same time its proof.

Let us come to our demonstration; it shall not be long. Jacques Bonhomme had two francs, which he paid to two workmen whom he employed.

But he one day devises an arrangement of cords and weights, which abridges the labour by half.

He then obtains the same satisfaction as before, saves a franc, and discharges a workman.

He discharges a workman; *this is what is seen.*

And men seeing only that, exclaim: "See how misery follows civilisation, see how fatal liberty is to equality! The human mind has made a conquest, and immediately a workman falls for ever into the gulf of pauperism. It may be, however, that Jacques Bonhomme will continue to employ the two workmen, but he will not give them more than half a franc each, for they will compete with each other, and offer their labour on lower terms. It is thus that the rich become always richer, and the poor always poorer. Society must be re-constructed."

Admirable conclusion, and worthy of the premises.

Happily, premises and conclusion are both false, because behind the half of the phenomenon *which is seen*, there is the other half *which is not seen.*

People do not see the franc saved by Jacques Bonhomme, and the necessary effects of that saving.

Since, in consequence of his invention, Jacques Bonhomme spends now only one franc on manual

labour, in the pursuit of a given satisfaction, another franc is left to him.

If then, there is in the world a workman who offers his hands unemployed, there is also in the world a capitalist who offers his franc unemployed. These two elements meet and combine.

And it is clear as day that between the offer and the demand of labour, between the offer and the demand of wages, the relation is nowise changed.

The invention, and one workman, paid with the first franc, now do the work which formerly two workmen accomplished.

The second workman, paid with the second franc, accomplishes a new work.

What, then, is there changed in the world? There is a national satisfaction the more; in other terms, the invention is a gratuitous conquest, a gratuitous profit for humanity.

From the form which I have given to my demonstration, some might draw this consequence: "It is the capitalist who receives all the advantage of machines. The class who live by wages, even if their loss by the introduction of machinery is only momentary, never profit by it, since, according to your own statement, machines *displace* a portion of national labour without diminishing the total, but also without increasing it."

It does not enter into the plan of this little work to solve all objections. Its sole aim is to combat a vulgar prejudice, very dangerous, and very widely spread. I wished to prove that a new machine places at disposal a certain number of hands, only by plac-

ing also and *irresistibly* at disposal the remuneration which pays them. Those hands and that remuneration combine to produce what it was impossible to produce before the invention; whence it follows, that the *machine gives as its definitive result an increase of satisfaction, with an equal amount of labour.*

Who obtains this surplus of satisfaction? Yes, it is at first the capitalist, the inventor, who successfully employs the machine, and it is the reward of his genius and his boldness. In this case, as we have seen, he realises on the cost of production a saving, which, in whatever way it may be expended (and expended it always is), employs just as many hands as the machine has set free.

But soon competition forces him to lower the price of the article he sells in the proportion of that very saving.

And then it is no longer the inventor who receives the benefit of the invention; it is the purchaser of the product, the consumer, the public, including the workmen—in a word, it is humanity.

And *what is not seen is*, that the saving, thus gained for all the consumers, enables them to give employment to other labour to the full extent to which the machine has displaced labour in the particular industry concerned.

Thus, returning to the previous example: Jacques Bonhomme obtains a product by spending two francs in wages. Thanks to his invention, manual labour costs him now only one franc. So long as he sells the product at the same price, there is a workman the fewer employed in making that special product—

that is what is seen; but there is a workman the more employed by the franc which Jacques Bonhomme has saved—*that is what is not seen*.

When, by the natural course of things, Jacques Bonhomme is compelled to lower by a franc the price of the product, then he no longer realises a saving—then he no longer disposes of a franc to obtain from the national labour a new production. But, in this respect, his customer is put in his place, and that customer is humanity. Whoever buys the product pays for it a franc the less, saves a franc, and can therefore afford to buy something else, or to lend his franc to some other person who wants to buy some other thing. *This, again, is what is not seen*.

Thus all industries are indissolubly allied. They form a vast whole, of which all the parts communicate by secret channels. An economy effected on one is profitable to all. The grand result is, let it be well understood, that never is this economy effected at the cost of labour and of wages.

CHAPTER VIII.

STATE CREDIT.

AT all times, but especially of late years, the notion has prevailed of rendering riches universal by making credit universal.

I do not think that I exaggerate when I say, that since the revolution of February (1848) the Parisian press has sent forth more than ten thousand pamphlets proclaiming this solution of the *social problem*.

This solution, alas! is based on a mere optical illusion, if, indeed, an illusion can be called a base.

At the outset, coined money is confounded with commodities, then paper money is confounded with coined money, and out of this twofold confusion a reality is pretended to be evolved.

It is absolutely necessary, in this question, to forget money, gold, silver, or paper, bank bills, and all the other instruments, by means of which commodities pass from hand to hand, in order to see only the products themselves, which are the veritable subject matter of all loans.

For, when a labourer borrows 50 francs to buy a plough, it is not in reality 50 francs that are lent to him, it is the plough.

And when a merchant borrows 20,000 francs to buy a house, it is not 20,000 francs that he owes, it is the house.

The money in these cases serves only to facilitate arrangements among the several parties.

Peter may not be disposed to lend his plough, and James may be disposed to lend his money. What, then, does William do? He borrows the money from James, and with this money he buys Peter's plough.

But, in truth, no one borrows money for money's sake. Money is borrowed with a view to obtain commodities.

Now, in no country can more commodities be transmitted from hand to hand than that country possesses.

Whatever be the amount of metal or of paper money in circulation, the whole number of borrowers cannot receive more ploughs, houses, utensils, provisions, raw materials, than the whole number of lenders can supply.

For, let us hold firm by this obvious principle, that every borrower supposes a lender, and that every act of borrowing implies a loan.

This point fixed, what good can institutions of credit effect? They can facilitate, for borrowers and lenders, the means of finding each other, and coming to agreement. But what they cannot do is to increase instantaneously the mass of objects borrowed and lent.

To effect the wishes of our *reformers*, however, it would be necessary for them to have this power—since they aim at nothing less than to place ploughs,

houses, utensils, provisions, raw materials, in the hands of all who desire them.

And for this purpose, what is their device?

To give to loans the guarantee of the State.

Let us sound the depths of this question, for there is in it something *which is seen*, and something also *which is not seen*. Let us try to see both.

Suppose that there is only one plough in the world, and that two labourers try to obtain it.

Peter possesses the only plough in France at disposal. John and James wish to borrow it. John, by his honesty, by his good conduct, and good character, offers guarantees. He *is trusted*, he has *credit*. James does not inspire confidence, or he inspires less. Naturally it happens that Peter lends his plough to John.

But suppose the State interferes and says to Peter, "Lend your plough to James, and I will guarantee your being paid; and this guarantee is worth more than that of John, for he has only his own means to answer to his engagements, while I (though I have nothing of my own, it is true) dispose of the means of all the taxpayers; and it is with their money that, in case of need, I will pay you principal and interest."

In consequence, Peter lends his plough to James: *this is what is seen*.

And the socialists rub their hands and say, "See how our plan has succeeded! Thanks to the intervention of the State, poor James has a plough. He will be no longer obliged to dig the ground; he is now on the road to fortune. It is a good thing for

him, and a profit for the nation, taken in the mass."

Alas, no! gentlemen, it is not a profit for the nation, for here comes *what is not seen*.

It is not seen that the plough is in the hands of James only because it is not in the hands of John. *It is not seen* that if James ploughs instead of digging, John will be obliged to dig instead of ploughing; and that, consequently, what was considered as an *increase* of loan is in truth only a *displacement* of loan.

Besides, *it is not seen* that this displacement involves a serious twofold injustice. Injustice towards John, who sees himself deprived of the *credit* which he had merited and acquired by his honesty and industry. Injustice towards the ratepayers, who are made liable to pay a debt which concerns them not.

Will it be said that the government offers to John the same facilities as to James? But, since there is only one plough at disposal, two cannot be lent. The argument always returns to the implied assertion that, thanks to the intervention of the State, there will be more borrowings than there can be lendings, for the plough here represents the mass of capitals at disposal.

I have reduced, it is true, the operation to its simplest expression; but try, by the same touchstone, the most complicated institutions of credit that a government can devise, and you will be convinced that they can have this result only—to *displace* credit, not to *increase* it. In a given country, and at a given time, there is only a certain sum of avail-

able capital, and it all finds employment for itself. By guaranteeing men who are of themselves insolvent, the State may, indeed, increase the number of those who seek to borrow, and may thus raise the rate of interest (always to the injury of the taxpayer), but what it cannot do is to increase the number of lenders, and the total amount of loans.

The same consideration applies as already pointed out in a previous chapter, to direct expenditure by the State. If, for example, fifty millions are expended by the State they cannot be expended by the individual taxpayer, as otherwise they would have been. From all the good attributed to the public expenditure effected, must then be deducted all the evil of private expenditure prevented; unless, indeed, it be said that Jacques Bonhomme would have made no use of the five-franc pieces he had earned, and of which the State robs him; an absurd assertion, for he would not have taken the trouble to earn them, had he not hoped for the satisfaction of employing them. He would have repaired the fence of his garden, and he can no longer do so; *this is what is not seen*. He would have spread his field with marl, and he can no longer do so; *this is what is not seen*. He would have added a story to his cottage, and he can do so no longer; *this is what is not seen*. He would have increased his stock of implements; he can do so no longer; *this is what is not seen*. He would have fed himself better, clothed himself better, obtained better instruction for his son; he would have added to his daughter's dowry, and none of these things is he now able to do;

this is what is not seen. He would have joined a mutual benefit society; he can no longer do so; *this is what is not seen.* These are the enjoyments which are taken from him. In addition, the gardener, the carpenter, the smith, the tailor, the village schoolmaster, whose labour he would have encouraged, have all suffered an injury—*this is still what is not seen.*

The only object which I have in view is to make the reader understand, that in all public expenditure, and in all employment of State credit behind the apparent good there is an evil more difficult to discern. So far as in me lies, I would accustom him to see the one as well as the other, and to take both into account.

FINIS.

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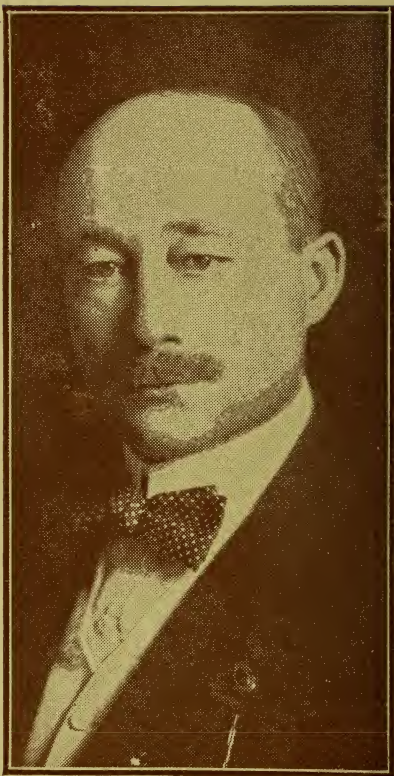
of

CHARLES H. BETTS

Delivered before the Annual Convention
of the New York Press Association at the
Onondaga Hotel, Syracuse, June 4, 1914

THE LYONS REPUBLICAN

Lyons, New York



CHARLES H. BETTS
President of the New York Press
Association

Presidential Address of Charles H. Betts, delivered before the annual convention of the New York Press Association at Syracuse, N. Y., June 4, 1914.

Members of the New York Press Association:

I want to take this opportunity to say that I am in favor of votes for women. I am in favor of intellectual liberty and political equality. I know of no reason why talents and capabilities should be suppressed and hidden under a bushel simply because they happen to be possessed by a woman.

One of the main arguments urged against extending the franchise to women is the one to the effect that because women cannot go to war, therefore, they should not be permitted to vote. This sounds plausible on the face of it unless you stop to think. When your gray matter gets to work you will then be able to discover that if there were no women there would be no soldiers. You will also discover that it is quite as important to supply a soldier as to be one. If you keep on thinking and supplement your thinking by a little intelligent reflection you will finally arrive at the correct conclusion that every hero who ever stood or fell in the ranks of an army was his mother's substitute.

The Yellow Age

Literature is the expression of a nation's life, the shadow of the people's character, therefore, the trashy literature of our time is evidence of mental if not moral deterioration.

It is a matter of regret that the future historians will be compelled to characterize this as the yellow age.

We are living in the age of yellow journals, of yellow magazines and of yellow dogs. This trio of yellows hold the center of the stage with demagogues as end men, and they are conducting the most spectacular vaudeville ever witnessed by the world. Throughout all of our present day literature, especially the large sensational newspapers and magazines and much of the light fiction, there is the saffron tint and all through our politics, the nation over, goes scurrying to and fro, the yellow dog.

It matters not whether it is the sanctimonious editor of the *Ladies' Home Journal* discussing the science of eugenics, the notoriety seeking editor of *Collier's Weekly* attacking patent medicines, the uplift editor of *Harper's Weekly* discussing the desirability of easy divorces, or the editors of sensational newspapers and magazines publishing the private letters of public men secured from literary thieves and purchased perjurers, they are all animated by one and the same spirit and they are all tinged with yellow.

The motive back of all this sensationalism is greed and the object graft. It is all done to increase circulation and add to cash receipts by inflaming passion and appealing to morbid curiosity. While denouncing corruption and graft in politics these papers and magazines become the leaders of graft by corrupting the public mind in order to get the people's money.

Many of them indulge in fiendish attacks, with an utter disregard of truth, not only upon the character and reputation of our public men but upon our representative government and American institutions. They collect scandal and pile up falsehoods for the express purpose of coining them into cash and then they circulate them in the name of virtue and reform. There is and there can be no lower or more despicable calling.

The latest acquisition of this style of journalism is the moral and political bankrupt who turns informer, liar and character assassin for a consideration. The editorial scavengers who have inaugurated this system of journalism have put themselves on the same level with the purchased perjurers, the same as the bribe-giver is as guilty as the bribe-taker.

There ought to be a federal law enacted making it a crime punishable by imprisonment to steal the private letters of a public man and it should be made equally a crime to publish such letters except when they form a part of a court record or a part of the record of an investigation. If the ablest statesmen and lawyers of this country and Europe honestly and conscientiously differ in regard to the interpretation of a section of a treaty drawn by experts; if the best legal talent is divided so as to give a directly opposite interpretation to such an instrument, how easy it must be to misconstrue and misrepresent the private letters of a public man.

I want to express my admiration for the thousands of decent and honestly conducted newspapers in the country that are steadily and conscientiously furnishing the public with reliable news and accurate information and are intelligently commenting upon and fairly discussing public questions and the conduct of public men. They are doing a grand work and they are a leading, creative and constructive force in carrying forward the cause of good government and advancing the progress and civilization of the world. But on the other hand I have nothing but contempt for the sensational, muck-rake newspapers and magazines which for the most part are echoes of ignorance, vehicles of malice, and manufacturers of falsehoods. They are the corrupters of the public mind, the debauchers of public morals and the destroyers of business prosperity. They are a disgrace to the profession and a curse to the age and to humanity.

Is mankind advancing? In science, in discovery, in invention, in benevolence and in charity, yes. In literature and in statesmanship, emphatically No! The classical literature of the past is succeeded by the trashy literature of the present and as for statesmanship, where are the American Washingtons, Hamiltons, Websters and Lincolns? They live only in the memory of man.

The Duty of an Editor

I want to say a few words in regard to what I conceive to be the duty of an editor. There is a wide difference of opinion on this subject.

In these days of commercialism, in these days of large circulation obtained by catering to sensationalism, the general and perhaps the popular view relative to the conducting of a newspaper is that it should be conducted on a strictly commercial basis. This seems to be a tendency of the times and it is a most dangerous tendency. It is a tendency which if not checked will eventually result in the demoralization of society and the ruin of the Republic. When the public press substitutes cash for ideals of unselfish service to the public and when it prostitutes patriotism for circulation, the Republic is on the edge of chaos and red-handed anarchy lurks just around the corner.

It is for this reason that I wish to impress upon you the importance of giving this subject serious consideration. We, as

editors, should look higher than the cash register and should remember our obligations to our country and to humanity. We cannot escape the responsibility of our position. We are either the informers or the misinformers of the people. We are the moulders of public opinion to a greater extent than we often realize. It is this fact that should make us pause and think seriously of our responsibility and our duty.

So far as I can see the editor who conducts his newspaper solely for the money there is in it places himself on the same low level as the political boss who goes into politics for the express purpose of "working for his own pocket book all the time." There is no difference and there can be no moral distinction between the purely commercial editor and the purely commercial politician. And yet it often happens that it is the commercial editor who cries out the loudest against the commercial politician. In fact, his cry against the political boss is nine times out of ten inspired by his own ambition to take the place of the boss. The volume and intensity of his cry is a reflection of his own mind and betrays his purpose. His attack is usually made upon the commercial politician because he sees a prospect of the politician securing the very graft that he is after. This is the reason that the commercial editor becomes so excited. You can always get a line on the intensity of his appetite for graft by the noise he makes and the same thing is true relative to the political demagogue. They are two of a kind. They are the twin brothers of the commercial political boss.

The commercial editor, the commercial political boss and the office-seeking demagogue are the trinity of evils that menace the stability of our institutions and threaten the overthrow of the Republic.

I am glad to find in a speech delivered by Melville E. Stone, the able manager of the Associated Press, my own sentiments on this subject clearly and admirably expressed. In his speech delivered at the Columbia School of Journalism, Mr. Stone said:

Finally by the adoption of the first amendment to the Federal Constitution it was provided that there should never be anything done to abridge the freedom of speech or the freedom of the press in this country.

Our fathers at the beginning recognized thus early how essential this right of speech and right of printing was to our American liberty. But it carries with it a reciprocal responsibility which if we be at all fair minded, we must recognize. A distinguished Russian has spoken of the despotism of the printed phrase—and it is undeniably true that a thing in print is far more pregnant of possibilities than the same thing in ordinary speech—“To us, men have committed much, and of us they will ask the more.” We are bound to do something more than to print and sell newspapers for profit. We owe a duty to our country, which is larger than that we owe to our counting rooms, and this I conceive to be the first lesson which should and ought to be taught to anyone having in mind the pursuit of this business of American journalism. If we are to do nothing more than to furnish mere entertainment for the public, then we fall to the level of the lowest panderer.

It is refreshing to read these sentiments expressed by the head of one of the greatest newsgathering bureaus in the world. It gives us hope that the time is at hand for a reaction to set in against the mad craze for sensationalism and commercialism. This hope is increased by the stirring appeal made by Mr. Stone to the publishers of the country to banish from their columns, as far as possible, sensational news. He quotes approvingly from an address delivered by Fisher Ames, one of the Revolutionary fathers, as follows:

Every horrid story in a newspaper produces a shock; but, after some time, this shock lessens. At length, such stories are so far from giving pain that they rather raise curiosity and we desire nothing so much as the particulars of terrible tragedies.

Now, Messrs. Printers, I pray the whole honorable craft to banish as many murders and horrid accidents, and monstrous births, and prodigies from their gazettes as their readers will permit them, and by degrees to coax them back to contemplate life and manners; to consider common events with some common sense; and to study nature where she can be known, rather than in those of her ways where she really is, or is represented to be inexplicable.

Strange events are facts, and as such should be mentioned but with brevity and in a cursory manner. They afford no ground for popular reasoning or instructions; and, therefore, the horrid details that make each particular hair stiffen and stand upright on the reader's head

ought not to be given. In short, they must be mentioned; but sensible printers and sensible readers will think that way of mentioning them the best that impresses them least on the public attention, and that hurries them on the most swiftly to be forgotten.

In commenting upon this, Mr. Stone says:

I am impressed that this address could have been delivered with greater profit in this very hour.

Mr. Stone then goes on to say that the American people are "news mad." He might have added that many of the newspapers are scandal crazy. He calls attention to the fact that the editors of today do not compare with the editors of 70 years ago, that many of them when they have filled their columns with a mass of the details of sensational news sit back with self-complacency and imagine they are masters of the craft. And then he adds:

The self-constituted leaders and enlighteners of the people—what are they doing? Standing still, lost in self-admiration, while the hosts march by? Are they even doing as well as that? Is it not a fact that the editors of seventy years ago were, as a rule, better informed in law, politics, government and history than those of today? The statesmen and lawyers and political students who used to do editorial work for ambition or intellectual pleasure have ceased to frequent the newspaper offices.

Mr. Stone tells the exact truth and I advise every editor of this country to procure a copy of his admirable address and read it carefully. He realizes, as every thoughtful student of history must realize, that we are headed for the political insane asylum largely due to the misinformation furnished the public by editors of newspapers. One of the chief assets of the sensational newspaper is the self-exploiting political demagogue. He keeps the first page supplied with headlines. The greatest circulation boomers are the criminal and the political demagogues.

It is the editor's duty to study and investigate all important questions which relate to the improvement of conditions and the welfare of his country. It is his duty to make the study and research necessary to obtain accurate information on such questions and then give that information to the people without fear or favor. The editor should be the real teacher, the true edu-

cator. He should inform and enlighten his own mind so that he can inform and enlighten the people. When he has arrived at a conclusion that he believes to be right, he should announce that conclusion without regard to consequences. If he does not do so he is not honest with himself and he is not honest with the public for he cheats the people out of the benefit of his honest judgment which it is their right to have.

The editor who has not the courage to challenge and fight uninformed clamour is not worth a fig to his profession or to his country. It is his duty to follow the example of the true statesman and point out the mistakes and errors of the multitude and give the people the truth, give them correct information when he sees they are acting on false information. If he does not do so he is not the friend of the people for he is not honest with them and he places himself on a level with the political demagogue. If the editor pursues this course, however, he will make enemies. But it is his duty to make enemies. It is his duty to make friends and enemies and to have them both strong and both selected. He cannot fight the battle of the right without making enemies of those who are fighting the battle of the wrong. He must either fight wrong or compromise with it. A brazen falsehood and a timid truth are the parents of compromise.

Public Sentiment

We hear a great deal in these days about public sentiment. Everybody is afraid of public sentiment. It is public sentiment that makes cowards of us all and yet there is not one man in ten thousand who has any correct idea of what public sentiment really is.

This is the reason we are all the time having legislation and conducting the government on what the people do not know instead of on what their representatives do know. This is what is constantly clogging the machinery of government with ignorance and incompetency. It is this everlasting craze to bow down, worship and follow public sentiment without regard to whether the sentiment is informed, uninformed or misinformed; without any regard to whether the sentiment is right or wrong, which has resulted in filling our statute books with abortive laws and is creating a deplorable situation in which the hands and feet of the

people are being tied with red tape, their pocket books are being robbed by additional taxation and prosperous business concerns are being choked to death by fool legislation.

How can we have intelligent legislation and good government in response to uninformed or misinformed sentiment? We can only have good legislation and good government by acting on correct information in response to informed, enlightened public sentiment. This is exactly what we are not doing. We are substituting the noise of clamour for the light of reason. The time has come when we must begin to discriminate between informed and uninformed public sentiment, between true and false public sentiment, if we ever expect to improve conditions and secure intelligent legislation and good government.

The unfortunate part of the situation is that nearly all politicians are cowards and many public men are slaves to their own selfish ambitions. They are like the Missouri Congressman who said:

I find it a great deal easier to do wrong than to explain to my constituents why I did right.

The greatest evil in public life is cowardice. We are having government by cowardly weathercocks. All you have to do is to make a little noise and you can, at any time, send the cowardly politicians and the timid public officers scurrying to the cyclone cellar. The editors of yellow journals have discovered this and so they manage to create the noise and then they drive the cowardly representatives of the people in any direction they want them to go. This explains why we are having legislation and government in response to ignorant headlines. The guidance of the intelligent, experienced and patriotic statesman has been cast aside for the guidance of the ignorant editor, whose only qualification to lead is the fact that he possesses a keen nose for scandal, bright eyes for headlines and ears attuned only to noise.

The question is, what is public sentiment? Is it the ignorant, unreasoning clamour of the street inspired by sensational headlines? Or is it that wide, well informed, intelligent, sane sentiment inspired by knowledge which pervades every community and modestly declines to express itself upon the street through the ever open mouth of credulity?

There is a vast difference between healthy, informed, enlightened public sentiment and curious, ignorant, public clamour. The first is like heaven's refreshing rain and life-giving sunshine; the second is like earth's dust and refuse in a whirlwind. This difference, however, will never be discovered by cowardly politicians and office seeking demagogues whose sole ambition it is to take care of themselves at the public expense. They are ready to be blown in any direction by every passing breeze. They are ready to enter any port that will insure them temporary safety.

One man with an empty head and a loose tongue talking on the streets will make more noise and more apparent public sentiment than 500 sane, intelligent, thinking citizens who do not agree with him but remain silent.

Burke expressed this idea beautifully when he said:

Because half a dozen grasshoppers under a fern make the field ring with their importunate chink, while thousands of great cattle reposed beneath the shadow of the British oak, chew the cud and are silent, pray do not imagine that those who make the noise are the only inhabitants of the field.

We are apt to mistake uninformed surface clamour for enlightened public sentiment. The false clamour of today becomes the passing vapor of tomorrow. Clamour is based upon error, emotion and hysteria, while true public sentiment is based upon accurate information, ripe deliberation and intelligent reflection. The question is which kind of sentiment should guide and control our legislation and government?

We are now passing through a transition period. We are in the throes of a bloodless revolution. It is at such times as this when the demagogues flock to the front and become the temporary leaders of the people. It has been so in all history.

When the people are excited; when they are easily swayed by passion, it is the political demagogue who comes forth and swears that their ignorance is wisdom and that their prejudice is patriotism. Not because he loves the people but because he loves position and power and is willing to deceive and fool the people in order to obtain a public office even if he is obliged to sacrifice his manhood by advocating measures against his own honest convictions.

It is fortunate for the world that statesmen are cast in a different mould. In times of excitement and hysteria it is only the statesman who stands erect. It is he who refuses to kneel. It is he who expresses his honest thoughts. It is he who points out the errors and mistakes of the multitude and tries to educate and enlighten the people by telling them the truth. Not because he loves himself but because he loves and serves the right and because he is the real friend of the people and insists on serving their true interests even against their will. Clamour may threaten him, the ignorant may denounce him, the yellow journals may attack him, but the statesman, the real reformer, cannot be driven from conviction's field.

The patriotic statesman is always patient and long suffering. He can afford to wait. He knows that passion will cool, that clamour will pass away, that ignorance will be swept aside by increasing knowledge and that in the end enlightened public sentiment will prevail.

When that time comes, as it surely will come and as it always has come, he knows that his position will be vindicated and that upon his brow will be placed the laurel wreath while the cowardly demagogues who cringe and crawl and who sacrifice their honest convictions upon the altar of fear and misrepresent the real interests of the people to obtain an office will finally be driven back to private life by the whip of public scorn.

Speaking of two ancient demagogues, Aristotle said:

Both of these persons were subsequently condemned to death; for the people, even if they are deceived for a time, in the end generally come to detest those who beguile them into an unworthy action.

The Menace of Socialism

We are living in a very large world filled to overflowing with all kinds of conflicting theories and it is no easy task for any man to pick out the true from the false, the sound from the unsound. It requires patient study, thorough investigation and endless research to arrive at correct conclusions on important public and governmental questions.

One of the most attractive and at the same time one of the most dangerous doctrines of our time and one that is fast becoming popular is the theory of Socialism. It is a plausible

theory. It is a seductive theory because it appeals to our sentiment instead of our sense, to our emotion instead of our reason and this accounts for its wide popularity.

The theory of Socialism reduced to the last analysis means that the individual exists for the state and not the state for the individual. In other words that the passengers exist for the sake of the ship and not the ship for the sake of the passengers. Therefore, Socialists contend that the interest of the individual must be sunk in the interest of the community. This theory is based on the sophism that you can raise up and improve mankind in the mass, when the fact is you can only raise up and improve the mass by first elevating and improving the individuals who compose the mass. The theory of Socialism if put into operation would result in an intolerable form of slavery. Each individual would be the slave of the state which in the end would mean that each individual would be the slave of the politicians who controlled the state. Let it be remembered that under Socialism we would have exactly the same human nature to deal with and exactly the same people to deal with that we have now. The trouble with Socialism is that by submerging the individual in the community it would destroy ambition, kill individual initiative and result in the fossilization of society.

Socialism without the introduction into it of absolute state authority would result in chaos and anarchy and with such authority it would be the most damnable kind of slavery.

As Lord Acton has well said:

Under Democratic Socialism what the slave is in the hands of his master, the individual citizen would be in the hands of the community.

The whole aim of Socialism is to take the tools of production out of the hands of the competent who are now successfully directing the work of production and put them in the hands of the incompetent. Civic chaos, political anarchy and industrial bedlam would be the result.

We are fond of saying that all men are created free and equal, when as a matter of fact there are only two periods in life when men are equal. The first is when they enter this world through the gate of eternity and the second is when they leave

this world through the same gate. Between the two eternities all men are unequal because nature has made them so.

Nature distributes her gifts with a secret and subtle hand and we can no more change nature's distribution of talent, wisdom and virtue by law than we can change her distribution of physical form and beauty.

There is equal voice only among the dumb;
Equal minds only among the fools;
Equal success only among the failures,
And equal strength only among the dead.

All that any man can ask of the government is to give him equal protection and equal opportunity and then his success or failure will depend upon himself.

Representative vs. Direct Democracy

A pure or direct democracy is one in which the people try to administer the government directly themselves without the aid of any secondary means. The result is government by collective ignorance characterized by noise and disorder. This was the form of democracy that led to the ruin of all the ancient Republics.

A representative democracy is one in which the people conduct the government through chosen representatives selected on account of their ability and fitness to do the particular thing the people want done. The result is government by selected intelligence characterized by maturity, stability and order. This is the form of democracy that has made America the greatest nation in the civilized world.

I wish right here to call your attention to the difference between the people's will and the people's way. The people's will should prevail. But how should it prevail? Should it prevail through channels of intelligence and order or through channels of ignorance and disorder. This is the important point and it constitutes the difference between a representative democracy and a pure democracy.

A pure democracy means government through the channels of ignorance and disorder. A representative democracy means government through the channels of intelligence and order.

Let me illustrate the difference between the people's will and the people's way. Suppose you should will to build a house. Let us suppose you want a new house and you have the money to pay for it. Your will should prevail. But how, directly or indirectly? Can you build the house yourself? Not by any means. The first thing you must do is to secure an architect to draw the plans and specifications to carry out your will. Do you not see that your will is one thing and your way is another? You cannot draw the plans, not because you are not intelligent, but because you have not studied that particular branch of science and have not the necessary information on the subject. Therefore you must employ a representative to act for you who has the technical knowledge to carry your will into effect. In order to build your house according to the plans and specifications you must then hire as your representatives carpenters, masons, plumbers and decorators. In other words, if you want a good house you must act through representatives who have the necessary information and technical knowledge to build a good house.

Well, the people, if they want good government, must do exactly the same thing. They must employ as representatives intelligent and capable men. They cannot act for themselves in conducting legislation and government any more than you can act for yourself in building a house. If an individual cannot act directly for himself in carrying out his will, it is simply impossible for the public to do so.

There is no such thing as mass initiative, mass thought and mass action. All initiative, thought and action must be individual. It is impossible for the public to initiate anything. It can only endorse or condemn proposals initiated by individuals or representatives. Therefore the fundamental idea of a pure or direct democracy is a phantom of the mind.

It was the discovery of these facts, after a long and bloody struggle through history in which direct democracies, time and again, degenerated convulsively into monarchies that resulted in giving birth to the American system of representative democracy.

The fathers of the Republic had all the experience and wisdom of the ages to guide them when they framed our federal constitution and founded this Republic and their work was the

greatest governmental achievement of enlightened statesmanship in any age and a great forward step in the advancement of civilization. The statesmen of the Revolutionary period knew that a pure or direct democracy had proved a failure in all history.

They knew that the ancients had never discovered a workable system of government between the *extremes* of a pure democracy which was a *failure* and an aristocracy or a monarchy, both of which curtailed individual liberty and deprived the great mass of the people of a controlling voice in the affairs of their government.

They knew that an aristocracy and a monarchy had stability and reliability but was a tyranny, and so they aimed to found a government which had all the good features of a democracy, which left the final control of the government in the hands of the people, but which at the same time possessed the efficiency and stability of a monarchy, and so they planned to make the people themselves the monarch, with certain necessary checks, balances and limitations, the same to be fixed in a written constitution. They accomplished this result by engrafting representation upon democracy.

This was a new form of government unknown to the ancients and the fathers of the Republic were the first practical exponents of a perfected system of representative democracy. They were a galaxy of the greatest statesmen ever assembled at a given time to frame a constitution and found a government.

Gladstone summed up the verdict of enlightened statesmanship on their work when he said:

The American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man.

In his recent work, "The State and the Citizen," Lord Selborne points out the superiority of the American Constitution over all others by reason of its stability and permanence and then he says:

But in England we remain without definite safeguards in our Constitution. The gravest of our constitutional laws can be altered as

easily as the dog tax, while much of the Constitution is so uncertain and indefinite that there is the strongest temptation for politicians to change it at any moment of political excitement.

The statesmen of the Revolutionary period understood all about this old system of a pure democracy which is now brought forward as a new form of government and as a panacea for all our ills.

Let me call your attention to the remarks of just one statesman upon this subject. In the debate in the Massachusetts State Convention which ratified the federal constitution, Fisher Ames, one of the greatest statesmen of the Revolutionary period who in his time was called the "Burke of America," said:

Much has been said about the people divesting themselves of power, when they delegate it to representatives; and that all representation is to their disadvantage, because it is but an image, a copy, fainter and more imperfect than the original, the people, in whom the light of power is primary and unborrowed, which is only reflected by their delegates.

I cannot agree to either of these opinions. The representation of the people is something more than the people. I know, sir, but one purpose which the people can effect without delegation, and that is to destroy a government. That they cannot erect a government, is evinced by our being assembled here on their behalf. The people must govern by a majority, with whom all power resides. But how is the sense of this majority to be obtained. It has been said that a pure democracy is the best government for a small people who assemble in person. It is of small consequence to discuss it, as it would be inapplicable to the great country we inhabit. It may be of some use in this argument, however, to consider, that it would be very burdensome, subject to faction and violence; decisions would often be made by surprise, in the precipitancy of passion, by men who either understand nothing or care nothing about the subject; or by interested men, or those who vote for their own indemnity. It would be a government not by laws, but by men.

Such were the paltry democracies of Greece and Asia Minor, so much extolled, and so often proposed as a model for our imitation. I desire to be thankful that our people are not under any temptation to adopt the advice. I think it will not be denied that the people are gainers by the election of representatives. They may destroy, but

they cannot exercise, the powers of government in person, but by their servants they govern; they do not renounce their power; they do not sacrifice their rights; they become the true sovereigns of the country when they delegate that power, which they cannot use themselves to their trustees.

In discussing the importance of constitutional representative government to protect the rights of individuals and the rights of the minority, Ames said:

I know, sir, that the people talk about the liberty of nature, and assert that we divest ourselves of a portion of it when we enter into society. This is declamation against matter of fact. We cannot live without society; and as to liberty, how can I be said to enjoy that which another may take from me when he pleases? The liberty of one depends not so much on the removal of all restraint from him, as on the due restraint upon the liberties of others. Without such restraint, there can be no liberty.

Lord Acton, one of the most learned men of all time, has well said:

The most certain test by which we judge whether a country is really free is the amount of security enjoyed by minorities.

Let me call your attention to a fact which is always overlooked by impractical political reformers. No constitutional provision, no law, no system of primaries will ever help the people to secure good government unless they use the election machinery provided. They must themselves be responsible for the election of honest, intelligent and fit representatives. Such representatives can only be selected when the people take a sufficient interest in politics to obtain reliable and accurate information in regard to the qualifications of candidates. They must first ascertain the fitness of candidates for the duties they will be called upon to discharge and then they must supplement this with sufficient energy and activity to go to the primaries and vote for the best candidates. This process of selecting candidates can be operated better under the open caucus and convention system than under any other system ever invented by the wit of man. Not only this but it can be operated at a much less expense to both the candidates and the people.

The only way the people can secure good government is by

taking enough interest in politics and public affairs to correctly inform themselves relative to the ability and fitness of candidates. In addition to this they must have the energy and civic zeal to go to the primaries and select such candidates for public office. This is all that it is necessary for the people to do under our enlightened representative system to secure the best results and obtain the best government.

But if the people will not do this, if they are indifferent, if they are absorbed in their own private affairs and neglect their civic duties and allow inefficient and incompetent men to be nominated and elected it is not the fault of the system but it is the fault of the people themselves. You cannot remedy this fault in the people by destroying their government. You cannot remedy this fault in the people by breaking down our enlightened system of representative democracy. Those who are trying to do this are the architects of disaster. Their scheme of a pure or direct democracy has been a failure in all history. It is a political fallacy that has deluged the earth with blood. The advocates of this doctrine make the absurd contention that the only way to secure good government is to go out upon the streets, collect hungry ignorance and set it upon the throne. Could anything be more ridiculous or absurd?

The advocates of this system may be divided into three classes :

First, political novices; second, crack-brained political theorists; third, office-seeking demagogues.

The first two classes are entitled to our sympathy, the latter class should have our contempt. Their whole aim is to flatter ignorance in order to secure its support for public office, believing that it is in the majority. They may be right from a selfish standpoint but they are traitors to American institutions and to our enlightened representative democracy which is the best system of government ever instituted among men.

What this country needs is education in the fundamental principles of government. The people have had no education upon this subject since the Civil War. But few statesmen in the country have read the American Constitution in the past twenty-five years. There has been no occasion for it until recently. Not until 1892 was there any man or set of men in this country who had the audacity to attack the virtues of our representative de-

mocracy. The first attack was made in 1892 by the National Socialist Labor party in its platform in the following words:

First Demand: The people to have the right to propose laws and vote upon all measures of importance according to the referendum principle.

In this election Simon Wing, the Socialist labor candidate for president, received in the whole country in round numbers, 21,000 votes.

The next attack made upon our system of government was made in the national platform of the Populist party in 1896, as follows:

We favor the system of direct legislation through the initiative and referendum.

It will be remembered that the Populist or People's party, now defunct, endorsed Bryan's candidacy for president in 1896 and he accepted the nomination upon that platform. He saw in the revival of this old discarded system of a pure democracy an opportunity to flatter and fool the people. He immediately seized upon it and set up the cry, "Let the people rule." He at once became the imitator and echo of the demagogues of the ancient democracies. Since that time there has been a spirited rivalry between the demagogues of all parties to see who could go the farthest towards breaking down our representative democracy and reviving the old discarded form of mobocracy.

It was William Jennings Bryan, the original "big noise," (Roosevelt is the carbon copy) who declared that this system of government was the divine method of restoring the rule of the people. Since that time the political skirt-dancers of all parties have been parrot-like repeating the refrain until it became the chief slogan of the Big Bull Moose at Armageddon.

From whence came this cry, "Let the people rule." It originated in the breast of our primitive ancestors. The first Simian hypocrite who amused himself swinging on his tail in the branches of trees was the first demagogue who set up this cry, and it has been the favorite slogan of office-seeking demagogues and gallery-playing hypocrites in all ages. It is the first subterfuge of the office-seeker and the last refuge of the bankrupt politician.

If we want to learn about a pure or direct democracy we must go back to ancient times—back to the Athenian democracy. If we want to know the truth about it we must turn our attention from the cheap demagogues of our day and go back and study a pure democracy in the light of history. Aristotle has given us a vivid picture of the rise and fall of democracies.

Athens was the pride and glory of the ancient world. She excelled in education, culture, art and literature, and was the intellectual center of the world. But, let it be remembered, that Athens was a small city, and when she was at the zenith of her power and fame she was flourishing under the middle deliberative forms of democracy described by Aristotle. When she threw off the restraint of constitution and of law, and substituted in their place passion, noise, confusion and hysteria and was led by demagogues her decline and ruin rapidly followed. When she had a deliberative form of democracy and followed the lead of such statesmen as Pericles and when the masses were swayed by his superior intelligence, judgment and statesmanship then Athens flourished, because Pericles was her great and trusted representative. But what happened to Athens when Pericles and statesmen of his character were relegated to the rear, as we are now relegating statesmen to the rear, when the demagogues of Athens came forward, as the demagogues in this country are now coming forward? Her prosperity was blighted, her intellectual light was extinguished, her glory faded into a memory.

Under the Athenian pure democracy the people killed their best and most successful generals, they plundered the rich until the rich were compelled to conspire with the public enemy, and they finally crowned their guilt with the martyrdom of Socrates. It was John Jay, who speaking of a pure democracy, said:

If every Athenian citizen had been a Socrates, every Athenian assembly would still have been a mob.

The most famous recall case in history was when the mob recalled the decision of Pilate and forced the crucifixion of Christ.

What is the mob? When passion wrests the scepter from reason the people become the mob. When reason is restored the mob again becomes the people.

The fathers of this Republic invented representative government to put reason upon the throne and keep it there. Their wisdom and statesmanship has never been excelled.

So long as we have manhood suffrage, so long as we balance the head of the illiterate against the head of the intelligent and educated, so long as we balance the head of the fool against the head of the political sage and philosopher, so long as we balance the head of the criminal against the head of the minister of the gospel, so long as we balance the empty head of the boy of twenty-one against the head of the trained statesman with half a century of accumulated experience and wisdom, just so long must we have legislation and government by representatives—by representatives chosen on account of their experience, character and ability, as well as their training, fitness and skill for the particular duties which they will be called upon to perform. These representatives must be selected by the masses, who, if it were not physically impossible for them to assemble and act for themselves, which *it is*, have neither the training, the knowledge or the capacity, to engage in the complicated and technical conduct of the details of legislation and of government.

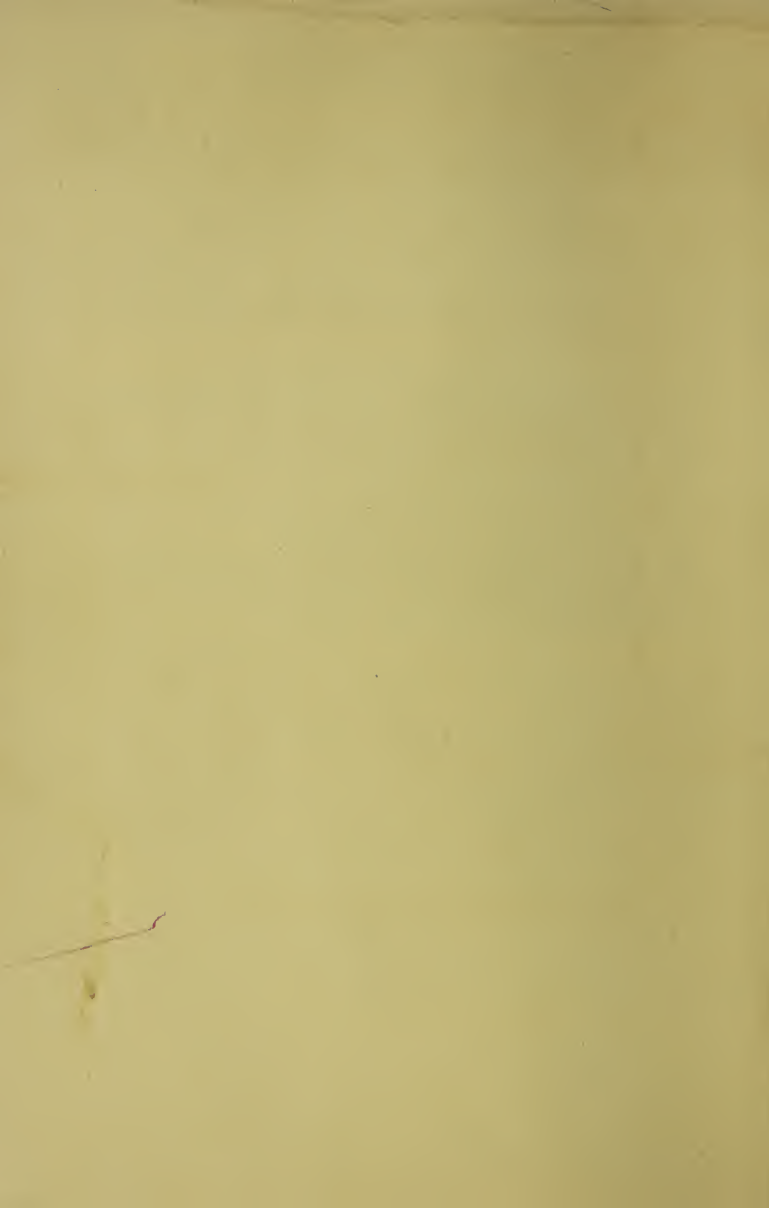
Let us make no mistake about it. This country is facing the greatest crisis since the Civil War. Our representative institutions are in danger. Masked treason is striking at the heart of our federal constitution. The recall of judicial decisions is the most dangerous proposal presented in this country since secession reared its ugly head to dismember the Union. It is a treacherous blow at the heart of our institutions. It threatens the independence of the judiciary. Its whole aim is the destruction of that citadel of liberty. After destroying the judicial establishment it is then proposed to make the confusion of the multitude the final interpreter of the law and the passion of the populace the final arbiter of justice. No more ridiculous and dangerous proposal ever emanated from a demented ambition since civilization banished political barbarism.

In the present crisis it is just as important that every patriot should respond to the defense of our representative institutions and fight for the preservation of our constitution as it was for them to rush to the defense of the Union when it was attacked by secession and treason. The danger of the present is as great

as the danger of the past. It is not so apparent to the average citizen, but it is just as apparent to the student of history. It will require all the intelligence, the patience and the wisdom of the American people together with the highest statesmanship of our country to solve the great problems which now confront us.

Government founded on law, order, and progress will be supported by every patriot, but government by hysteria, tumult and anarchy will be supported by every office-seeking demagogue. The demand of the hour is:

“God give us men; a time like this demands
Strong minds, great hearts, true faith and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor—men who will not lie;
Men who can stand before a demagogue,
And damn his treacherous flatteries without winking!
Tall men, sun-crowned, who live above the fog
In public duty and in private thinking.”



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By JOSEPH JORDAN DEVNEY



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“**T**HERE must be for
human affairs an order
which is the best. ***
It is the order which ought
to exist for the greatest
happiness of the human race.
God knows it, and desires its
adoption. It is for man to
discover and establish it.”—
Laveleye.

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Introduction

The more we learn of the ancients, the greater our respect for their ability and the firmer our conviction that there is "nothing new under the sun."

After having conceived the idea outlined in this booklet and concluded after months of theorizing and study of modern conditions that it was the real solution of our economic problems, I began to search history for support and had the extreme satisfaction of discovering that it had proven strikingly effective in numerous instances in Greece and Rome in correcting conditions not dissimilar to our own. It was indeed a source of encouragement to learn that the principle had the endorsement of such men as Solon, Plato, Aristotle, Pliny, Livy, and numerous others whose achievements were such that their fame has withstood the ravages of 2,000 years.

I have left the main text little influenced by historical researches, preferring to argue the validity of the principle by considering modern conditions as far as possible, leaving the weight of history as a fitting close.

This booklet, having been written in spare time snatched from a life in which the struggle for the material is by no means an incidental factor in these days of "the high cost of living," lacks both finish and development. But the germ at least is here, and if it should meet with a sufficiently encouraging reception as to suggest an "encore," the shortcomings can to some extent be overcome in a later edition.

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Synopsis

CONDITION: It is generally admitted that our present economic state of affairs is by no means satisfactory.

CAUSE: There is too great a disparity in the distribution of wealth. Men being unequal in their ability to accumulate riches, and no limit having been placed on the amount which any individual may acquire, some have been able to amass hundreds of millions of dollars' worth of wealth, while others, less capable and less fortunate, are forced to struggle with poverty. Some men, therefore, have too much wealth while others have not enough.

SOLUTION: Limit each *individual* to as much commercial property as will insure him or her all of the necessaries of life, and at least a reasonable amount of legitimate luxuries.

In our country and time I propose \$100,000 for each man, woman and child as the amount which would amply provide these. This would permit a family consisting of a father, mother and eight children to own one million dollars' worth of commercial property.

In addition to restricting each *individual* to that amount of commercial property, I would permit each to have an unlimited amount of non-commercial property, such as a home, food, fuel, clothing, jewelry, furniture, art, horses, automobiles, etc.

MEANS OF ACCOMPLISHING: By forming a Society to (a) demonstrate the justice of the principle and induce as many as possible to carry out its spirit voluntarily; (b) induce employers of labor to share profits with their employees on a merit basis without any features which smack of peonage; (c) promote the enactment of income and inheritance tax laws and other laws which will tend to prevent further centralization of wealth, and

(d) ultimately secure such amendment to the Federal Constitution as will give the people a reasonable time in which to dispose of their surplus, and at the expiration of that time require the government to take the surplus from any who had not complied, put it into the National Treasury, use it for current expenses, thus reducing taxes and giving everyone the benefit.

RESULT: By thus limiting each individual, the less fortunate and capable would be able to acquire sufficient to live in decency and comfort as becomes human beings, which hundreds of thousands are unable to do today. At the same time, it would work injustice to no one, the maximum allowed being sufficient for any individual, as will be demonstrated later.

NAME: This proposed system of economics is called "Individualism." The name originally suggested itself as the solution both in theory and practice is diametrically opposed to Socialism. There is absolutely nothing communistic about it. Each person would be put on his individual merits. No one would get anything for which he did not work; but those who did work would be able to reap just rewards from their labors.

* * * *

WEIGH THE EVIDENCE.—It would be too much to expect any but those who may have been thinking along the same lines to admit at once that the solution proposed is sound, effective and not too radical to be practical, and that the results as stated would follow its adoption. Therefore, unless you have given this plan exhaustive consideration, it is not asking too much to request that you read the arguments pro and con and *then* draw your conclusion.

Suppose twenty years ago some one had said to you, "Thompson, I have been studying aeronautics a long time and have constructed a machine in which I can ride through the air," or "I have invented an instrument by which I can telegraph a thousand miles without the aid of wires," or "I have invented a vehicle which, with proper development, will propel itself 100 miles an hour." You probably would have doubted him and even

laughed at him. And yet all these things have become realities and are now commonplace. So don't decry this solution without a hearing. It is a simple remedy, and yet too far-reaching to be grasped from a few paragraphs.

I now propose to show what caused some of the conditions which exist, offer my solution of them in detail and endeavor to prove conclusively that its adoption would result in a radical improvement of conditions.

Causes of Present Conditions

Avarice has been characteristic of the human race from the beginning. In all ages there have been certain people possessed with an insatiable greed to accumulate as much wealth as possible by any methods. The failure of society to limit individual accumulations has led to the ruination of nations as well as individuals. Aristotle says, "Inequality is the source of all revolutions." August Boeckh, in his exhaustive work on the Political Economy of Athenians, declares that war between the rich and the poor destroyed Greece. Pliny, Varro, Mace, Laveleye and numerous other writers, both ancient and modern, testify that the unequal distribution of wealth was the cause of the ruin of the Roman Empire.

And look at the world today. Mexico in revolt because sixteen millions of people are working for a few hundred land-owners. Ireland just emerging from 300 years of oppression and intolerable conditions, because a few men owned the land and five million worked to support them. England and Russia and Italy and other nations, including our own United States, are suffering from the unequal distribution of wealth.

History is simply repeating itself, and until society lessens the breach between the prince and the pauper by restricting individuals to a certain amount of wealth, history is going to continue to repeat itself. The rise and fall of nations will go on as before.

Three causes have contributed to permit the centralization of wealth in this country probably with greater rapidity than in any other at any time. They are as follows:

(1) **NATURAL RESOURCES.**—Being a comparatively new nation with almost unlimited natural resources, wealth has been produced with marvelous rapidity, and those who have

been able to monopolize the means of production have been able to acquire the lion's share of it. Think of the vast fortunes which have been made out of oil, gas, iron ore, coal, copper, silver, gold and other valuable deposits which the Creator spent ages to put in Nature's store house for the benefit of ALL mankind.

(2) IMPROVED MACHINERY.—Wonderfully improved machinery has displaced manual labor and enabled those in control of it to reap the benefits which formerly were distributed among many. Here is just one instance in the iron industry which I mention as I happen to be personally familiar with it: In 1900, 870 men, were employed on the L. S. & M. S. Ry. docks at Ashtabula, Ohio, to handle about 2,500,000 tons of ore during the season. A few years ago, machinery was installed to take the place of labor, and in 1911 nearly twice as much ore was handled by about 250 men. Therefore, one man in 1911 was able to do as much as seven men did eleven years before. And the increase in wages of those still employed is scarcely sufficient to offset the higher cost of living.

The 600 men who were thus displaced had to seek employment elsewhere and compete with laborers in other lines. They received no benefits of the improvements—these went to the capitalists.

We would not have the world stand still, we want improvements and progress, but there can be no real progress unless it affects all the people favorably. There is certainly something vitally wrong with that system of wealth distribution which results in inventions and improvements enriching a few while taking away the means of livelihood from many.

Our much boasted progress becomes a travesty when upon analyzing we find that we have been very apt in devising schemes to save labor, but have not taken the precaution to insure that humanity as a whole shall be benefited thereby. Under such a system, improvements and labor-saving devices make for retrogression in the conditions of humanity.

(3) CORPORATIONS.—The other means which has

permitted the rapid centralization of wealth is the development of corporations, through which many strong men have been able to unite their brains and energies and co-operate to their own advantage and to the disadvantage of others.

Corporations probably have been the most powerful agent in the centralization of wealth. They have enabled a few men to prevent a just and equitable distribution of the natural resources of the country and the benefits of improved machinery. I shall, therefore, discuss them at length for these reasons, and for most important of all, that by limiting private ownership they can be utilized to aid working out the economic salvation of ALL the people.

FORMER BUSINESS METHODS.—Until a half century or so ago, it was usually customary for men to engage in business as individuals or partners. Death was the leveler which helped to keep wealth distributed. A man might make a million dollars or several millions, his son might preserve the fortune intact and even increase it, but some place along the chain of descendants a weak link would be struck, disintegration would take place and the fortune would be dissipated and distributed.

ADVENT OF CORPORATIONS.—When corporations came into vogue conditions changed. An artificial person with perpetual life, created by law, replaced the individual, and death was no longer the balance wheel of wealth.

In the first place, it requires several persons to incorporate a company, and in large enterprises there are usually several strong men in control. If one dies, the corporation does not dissolve as in the case of a partnership; the stock of the deceased simply passes to other persons, and usually some one who has been active in the affairs of the company steps into the vacated place. Then, with the assistance of the other cogs in the wheel, the business goes on as before, increasing or diminishing according to the relative ability of the new personnel in charge. Thus a corporation has far greater assurance of continuing its existence and be-

coming a powerful factor in its particular field than has an individual.

Because of the numerous advantages of doing business through corporations, they have become so popular, that now practically all business, both large and small, is conducted through them.

BIRTH OF TRUSTS.—Trusts were the natural outgrowth of corporations. Men found that individual firms operating in the same field could combine their interests in one large corporation and by stifling competition and gaining control of the means of production in that line, far greater profits could be made.

After a few such combinations were formed, those operating in other lines were quick to grasp the advantages to be secured by combining interests in their respective lines, and trusts, or combinations, were formed so rapidly that today there are few avenues of commerce or industry which are not under their control.

The legitimate advantages of corporations are numerous, but because of their artificial nature, they offer to unscrupulous men means of doing many unjust acts which individuals cannot do. Among these are the following:

WATERED STOCK.—One of the evils which can be committed through corporations is to filch money from people through watered stock. For example, it is a matter of common knowledge that *hundreds of millions of dollars worth* of water was poured into the United States Steel Corporation when it was formed. Mr. Carnegie admitted to the Stanley Investigating Committee that the Carnegie Co. was watered even on the basis of its earnings when an option was given on it in 1898 for \$320,000,000. Yet two and a half years later this was sold to the United States Steel Corporation for \$420,000,000. Mr. Carnegie even said he understood later that he could have secured another \$100,000,000 if he had asked. The Commissioner of Corporations valued the ore lands secured by the corporation at \$100,000,000, yet the steel trust put them in at \$700,000,000. The owner of a mill in Ohio purchased by the steel trust

told me personally that he was paid three times what it was worth. From these facts and other evidence extant it seems *conservative* to say that this trust was watered to the extent of at least \$800,000,000.

Alfred Henry Lewis, in the April, 1912, edition of *The World To-Day*, gives a few other conspicuous examples of watered stock. He says:

“The tobacco trust, formed upon an aggregate plant value of less than \$500,000, issued stocks and bonds for \$25,000,000. The Georgia Central Railroad possessed an actual investment value of \$3,500,000. Morganization ‘watered’ it to \$52,000,000. The ship trust based its bond and stock issues of \$71,000,000 upon properties not worth \$5,000,000. The street railways of Manhattan Island show bond and stock issues aggregating \$375,000,000. They cost—new—under \$75,000,000. The steel trust, in a recent year, supported a bond and stock situation, the gold-brick total of which was \$1,436,722,135. Four-fifths was ‘water.’ The story of any one of these gold bricks is the story of the sugar gold brick and those one thousand and one other gold bricks, which the Grand Central Petes and Hungry Joes of Wall Street are handing mankind every day.

“In the old Red Sea pirate times, Kidd, Avery, Singleton and their black flag fellows found harborage on the Madagascar coast. New Jersey—Trenton—has been for two decades the Madagascar of the trusts. In one year at the Trenton yards, pirate companies were launched with a total bond and stock issue of more than \$6,000,000,000. Only \$500,000,000 of this was honestly founded; the balance (\$5,500,000,000) was overcapitalization—‘water’—gold bricks.”

FREEZING OUT STOCKHOLDERS.—After making millions by unloading watered stock onto the people, the morganizers have another pet scheme for getting back that same stock at a much lower price than they sold it to them. Through manipulation in the stock markets, the market value of the stock is hammered down far below the price it has been sold to the people. Accepting as truth the lies told about the conditions of their company, many of those not on the “inside” believe their stock to be worth no more than the market quotation and they sell. This

stock is bought by the manipulators who sold it to them in the first place at a high price, and who now have pulled off the infamous deal to freeze them out. It is the rich who are on the "inside" and win, and usually the middle classes who sell and are fleeced. Thus the breach between the classes widens.

Considered without a bit of dispassion, it is simply amazing that the government of ninety millions of people will permit its citizens to be buncoed out of billions of dollars by the unscrupulous means of watered stock and the freeze-out.

CRIMINAL PUNISHMENT AVOIDABLE.—Corporations offer a bulwark behind which men can commit felonies with impunity which they could not do as individuals. They may break laws and be punished only with fines which they can well afford to pay.

DEBAUCHING THE GOVERNMENT.—Through malicious "business practices" such as those just described, the trust promoters are able to become so rich and powerful that they even make the government itself serve to still further plunder the people—and they get away with it. They secure the nomination and election of as many favorable legislators as they can, and bribe a sufficient number more to pass laws which will enable them to do what they desire and still "keep within the law"; they secure the passage of tariff and other laws which enable them to make hundreds of millions at the expense of the people; they secure the election or appointment of judges who will render decisions favorable to them; they secure the election of as many executives as possible who will not enforce the laws against them.

THE TWO-EDGED SWORD.—Aside from debauching the government and exploiting the people out of billions of dollars through watered stock and tricky stock juggling, the trusts have two other effective methods of exploitation which are so far-reaching that they can with one or the other, and in hundreds of thousands of cases with both, make every man, woman and child pay tribute to them.

The *theory* of trusts, as advertised by their promoters, is

beautiful. It is claimed that by combining kindred interests, goods can be produced and sold more cheaply, hence monopolies are good for the people. But the *actual practice* of the trusts is the worst possible thing for the people. The trusts wield a two-edged sword, the sharp sting of which few escape. They cut down wages on one side to cheapen the cost of production, and raise the selling prices on their commodities. Instead of the people getting the benefits of the economy, they are paid less for their work and charged more for what they buy—and the trusts pocket the swag.

KILLING COMPETITION.—The methods employed by trusts in annihilating competition are nothing short of a public scandal. The inhuman deeds to which men have stooped to take advantage of their fellow men are almost unbelievable. It has been a war to the death with no quarter, there has been no restraint in gaining their end.

When men are stirred to the point that they are willing to lay down their lives if necessary for a principle and make war upon each other, they respect and observe a code of rules in the name of humanity. But in the strife for wealth which has taken place in this country during the past thirty years, there has been absolutely and positively NO restraint in the methods used. No means have been too unfair, no weapon has been too inhuman, no deed has been too foul in this war of greed.

And when we consider that this struggle was not for any principle, was not conducted for the benefit of humanity, but to satisfy the lust of men for gold, and that those conspired against had done nothing more offensive than to be in business endeavoring to make a living, or because they refused to join in forming monopolies by which wages could be reduced and prices increased, it is surprising, to say the least, that in this enlightened age such deeds could be perpetrated with impunity. Impunity! Why, we almost bend the knee to these Captains of Infamy.

And now that these financial pirates have succeeded in eliminating competition to a negligible quantity and have placed them-

selves in a position where they are making millions, there are people who are willing to protect them in their foully gotten gains.

TRUSTS' EFFECT ON LABOR.—Whenever a trust gains control of a large part of any industry, among its first steps is to reduce the number of employees. In many lines the number of workers who can be eliminated is considerable. For instance, under competition, in lines in which it is necessary to employ salesmen, each firm has a number of men on the road to push their particular brands of goods. When these interests combine and competition ceases, a less number of salesmen are required. If the articles are staple, the dealers must have them, and as they can buy only from the trusts they will send their orders direct instead of waiting to be sold by salesmen.

In many lines it is not possible to dispense with salesmen altogether as the trade must be visited from time to time. But where competition is wholly or nearly eliminated, it does not require high class salesmen to do the work of "order taking," so lower priced men are employed. In the industrial as well as commercial lines, this policy is pursued.

The effect of throwing thousands of men out of employment through capitalistic combinations and the introduction of improved machinery, results in putting the working people into keener competition with each other to the detriment of all.

DESTROYING LABOR UNIONS.—After cutting down the force of employees as far as possible and filling the places of those who must be used with as cheap men as they can, the next step, and the one which will receive particular attention from now on, is to reduce wages of employees. This has not been done to a marked degree yet by the trusts as a whole because it has hardly been reached in the evolution. An industry must be almost entirely monopolized before it is wise or safe to do this. As yet, the trusts have not quite as good a strangle hold on the people as they want. But they are getting that hold and the time is not far distant when the wage conditions in this country are going to be far worse than they are today. The trust

masters have demonstrated that they will stop at nothing to make money.

Another reason the trusts have not made greater reductions in wages is that they can, during the evolutionary period, make as great profits as they *dare* by increasing prices of their products. The people will not revolt so quickly at increased prices as they will at a cut in wages.

The first preparatory act towards cutting wages is to destroy the unity of the men. As an organized force they can fight a reduction, but as individuals they are helpless—hence all unions are throttled as fast as is convenient and expedient. This accomplished the cutting of wages is then a comparatively easy process. The fight lies between the power of organized wealth on one side and single individuals on the other. It is like pitting a whole army against a lone soldier. And the tragedy of it is, we stand for it!

Mr. Louis D. Brandeis made this statement January 30th, 1912, to the Stanley Committee, appointed by Congress to investigate the steel trust:

“This is the situation in regard to wages: As compared to the period to which you refer, Mr. Young—that is, going back 15 or 20 years, going back before the elimination of the trade union from the Carnegie plant at Homestead—there has been a reduction, and a marked reduction, in the rate of wages, in the actual rate of wages paid skilled labor. That varies according to various kinds of labor from a very slight percentage to as high as 30 or 40 per cent.” . . .

“The second position is that there has been a constant tendency, a perfectly natural tendency, to reduce the number of skilled men relatively in the industry, so that the men who receive relatively high wages are a very much smaller proportion of the whole than they were in the 20 years to which you refer.”

HIGH COST OF LIVING.—The most powerful factor of the many which the trusts have for making millions is through the high prices they are able to command. They cannot sell everyone watered stock, nor bamboozle everyone into disposing of it for a fraction of what it is worth; neither can they reach

everyone through low wages, but they can and do get something from every human being in the country who buys anything to eat, wear or use in his business, profession or home.

Aside from the modicum of cost incident to deliveries because of the advent of the telephone—which those who are holding us up endeavor to make the real scapegoat for present conditions—the high cost of living is almost entirely due to the trusts and their far-reaching influence. The price of thousands of articles have been *arbitrarily* raised by means of pools, combinations, secret agreements and other stealthy and unlawful methods which their perpetrators dare not commit openly, but which they burn the evidence of, lie about and even deny under oath.

Here is a far-reaching law. Arbitrarily increasing and maintaining the price of one important article in any line serves to raise the price of kindred articles whether or not they are controlled by the trusts, therefore, the trusts are not only responsible for the prices they raise, but for other high prices as well. For instance, the meat trust became so strong that it was able to increase the price of beef and pork. This naturally increased the price of other meats produced by farmers who were not connected with the trust. For example, if the price of beef increased 5 cents a pound, farmers saw that the profitable thing for them to do was to produce beef. Many of them did and there was a shortage of mutton and other meats. The law of supply and demand then increased the price of these meats.

The general increase in the price of meats lessened the demand for them temporarily, as people turned more to cereals and vegetable products for their foods. But the farmers were now raising stock, consequently the supply of earth productions being smaller and the demand being larger, the price of vegetables and cereals increased. Thus the original increase in beef was alone sufficient to increase the price of all food stuff. The abstinence from meat was only temporary, and as the packers controlled enough of the supply to maintain the high prices, the people finally

surrendered to the inevitable and paid them—and they are doing it yet.

These same processes operated to increase the prices in other lines in which any main article was controlled by a trust and its price arbitrarily raised.

In an effort to make it appear that high prices are not the result of monopoly methods, the trusts have coined the euphonious argument that our trouble is not due to the high cost of living, but to the cost of high living. Let us analyse the merits of this statement.

Some economists are not willing to admit that our standard of living has increased in the past half century. Possibly it has, but it certainly has not kept pace with the increase of wealth of the country nor with the increased earning power of the producers. There has been such an unequal distribution of wealth that the people at large have not received anything like their just share of the benefits of our progress, and a continuation of this inequality must inevitably result in a lowering of the standard of living of all except the rich as time goes on.

As a basis for a standard of living we must take into consideration both the increase in wealth and earning power of the people.

In 1850 the per capita wealth in the United States was \$307. Today it is about \$1,300, an increase of over 300 per cent. This certainly proves that we are *entitled* to a much higher standard than we had 60 years ago.

Regarding the earning power of workers, everyone must admit that improved machinery and methods have increased the productiveness of labor many, many fold, but wages have not increased accordingly.

Let us consider the best paid large class of workers today, the railroad men. They receive higher wages than they did in 1850, but not in proportion to the greater results they are producing. The invention of the air brake reduced the number of brakemen required, and the larger engines, better road beds and gen-

eral equipment enable several times larger loads to be drawn. It is true the men are working a less number of hours, but this is offset by the fact that their trains make much better time and they have far greater responsibilities. It is also a fact that freight rates have dropped, but the volume of business has increased many fold. Careful investigation seems to indicate that the wages now received have about twice the purchasing power, but the men are producing twenty-five times the results, therefore it is patent that even this best paid class of workers are not getting anything like the increase they should.

Let us consider a few other lines: Years ago men carried mortar and bricks up ladders on their shoulders. Today that is done by machinery and one engineer will now do as much work as several men did formerly. Sixty years ago letters were written by hand. Now a boy with a machine can turn out thousands in a day. A linotype operator can set several times as much type as men formerly did by hand.

Farming implements have been developed to the point that one man can cultivate a much larger acreage than he was able when the work was done by hand. Edwin L. Barker, of the International Harvester Company, claims that it takes ten minutes' labor now to raise a bushel of wheat, but it took five days' labor to do it 2,000 years ago. This is an increase of over 300 times in efficiency.

The advent of the telegraph and telephone and improved postal service have increased efficiency of production and the expedition of business to a wonderful extent.

We have noted that the introduction of ore-handling machines permits one man to do as much now as seven men did eleven years ago, but if we go back to the seventies, when the ore was wheeled out in barrows, we find that one man now can accomplish as much as 100 men did then.

It is unnecessary to multiply examples. Everyone recognizes the progress that has been made. There is probably no industry in which improved machinery, methods and facilities have not at

least doubled the efficiency of producers and there are some in which one person can do more than 100 did before. It is difficult to get satisfactory statistics on the increased productiveness among all workers, but it is certainly conservative to say that the average man produces five times as much today as he did sixty years ago.

In view of this fact and the fact that our per capita wealth has increased over 300 per cent, it follows that if there had been a fair and just distribution of wealth, our standard of living should have increased from 300 to 400 per cent in the past sixty years.

Dare even the predatory interests claim that such is the case? Certainly not, and their argument that our trouble today is due to the cost of high living rather than the high cost of living is not valid. It is a sophism invented to divert attention from the real cause, which is that the producers are not getting their just share of what they are earning. The distribution of wealth is inequitable.

What of the Future?

The savage never thinks of the morrow, the civilized do, and when we consider the present unfair conditions and unequal opportunities we naturally ask: "What of the future?"

When we see a few men at the head of great trusts, entrenched behind their fortresses of gold, not satisfied with more millions than they or their children or their children's children can need, still laying siege to the people and making them pay tribute, we ask: "What of the future?"

When we see men spurred on by their insatiable greed for gold, corrupting our public officials that they may "legally" plunder the people and keep out of jail, we are forced to ask: "What of the future?"

When we see the incentive taken from young men to go into business, work hard and build up a profitable trade because they feel that it would be but a few years until some trust would gobble up the fruits of their sweaty days and sleepless nights, we ask: "What of the future?"

When we see the business of the wealthiest nation on the globe paralysed, hundreds of thousands idle, the cost of living increasing, and the great Captains of Infamy daily laying plans to widen still further the financial breach between themselves and the poor, we are not acting as civilized beings unless we consider seriously the future.

Continuation of our present system of wealth distribution must make conditions worse. Every day the employees of the trusts work, a few millionaires are greatly enriched and the workers become relatively poorer.

COMBINING THE TRUSTS.—The trusts are still in the evolutionary state. The next logical step in centralization

is a combination of the trusts themselves. This is inevitable in the evolution of the monopoly idea. Unless something intervenes, a combination will be effected not many years hence which will result in one great trust instead of the present horde. Indeed it is not impossible to conceive an international trust wielding a world-wide influence. When either of these events take place, the solution will lay not in the ballot, but in the bullet, and God forbid that the world should ever witness such a spectacle!

If present conditions continue, we can foresee a condition not unlike that which existed in the Roman Empire at the time of L. Marcus Phillipus, when 2,000 people owned all of the land. Business enterprise and industry were at a standstill. There was little or no work for freemen. In self protection the rich built great amphitheaters like the Coliseum in order to divert the minds of the people from their unjust condition, and they fed them at public expense to prevent a revolution.

OLD AGE PENSIONS.—History is already repeating itself in England. She is paying thousands of pounds annually in old age pensions. That is simply another form of the pacification measures used by the Roman patricians to keep the plebeians from uprising against them. The only difference is that in Rome they gave food direct, in England they are giving money to buy the food.

England is doing a humane act in taking care of its poor, but the old age pension is no real solution. It is paternalism which must continue to breed paupers. *What the people want and ought to have is not charity, but a chance.* Let England or any other nation enact laws enabling those willing to work and save, to receive a just return for their labors, and a nation of thrifty, independent citizens will grow up, few of whom will need charity from the state or individuals when they get old. The poorhouses will be inhabited only by the lazy and unfortunate—a few of whom we will always have to take care of. But even the number of these can be reduced by compulsory insurance.

There are thousands of beneficiaries of England's paternalism who would be independent to-day if they had received what they had earned.

So long as England or any other nation permits concentration of wealth beyond the danger line, so long will she have to take care of her people through money taken from her coffers or let them starve. An English writer has studied conditions in London for years asserts that a million people are existing there on less than enough to buy the necessaries of life. Thousands upon thousands have no work at all and are being fed by public and private charities. The next step, as in Rome, is to provide entertainment to divert their minds, and we need not be surprised to read any day of free moving picture shows being established for this purpose.

England is traveling the Roman road. And there are others in her wake. She is simply in advance of us. We are now advocating old age pensions. We are now furnishing text books free to the poor at the expense of the State, and private charity is feeding and clothing thousands. Leading educators and others are advocating that the State provide free meals, free eyeglasses, free medical and dental care. Some even go so far as to advocate free street car rides to and from school.

I am in favor of everything that will help the children, I certainly want to see them well fed and clothed, and I think the State should pay for medical inspection and insist that the children get the treatment they need. But I am equally firm in the belief that the parents should pay the bills. If a man brings children into the world and will not work to provide the necessaries of life for them, he ought to be made to do it. If he is willing to work, but can't get employment, then I am in favor of the State bearing his burden till he can. But we are not the nation of freemen we boast of being unless we take the necessary action to make it possible for every man to earn a livelihood for himself and family, and thus *remove the necessity* for this paternalism. Unless we do, shall the State not next be paying rent that those children may have shelter? And furnishing fuel to keep them warm, and lights that they may study, and who can say where this paternalism would end?

The fact is we are destined not only to reach England's stage, but to surpass it unless we act and remove the cause of poverty instead of relieving the pangs of present hunger. *A loaf*

of bread will satisfy a man today, but he will need another tomorrow. Give him a chance to earn that loaf today and he can buy it tomorrow.

Solutions Offered

So oppressive have conditions become that people on every hand are endeavoring to solve the problem of living. Their efforts are highly commendable and in some cases they aid a limited number of people, but I have yet to see a solution offered which its most ardent advocates can conscientiously claim will strike the shackles from the economically enslaved everywhere. The possible exception for such a claim is Socialism, which will be exposed in due course.

From various sources comes the proposal to right things by fixing a minimum wage scale by law. Suppose that were done, what guarantee would a man have that he could get even one day's work in a year at any wage? And what assurance would he have that prices of food, clothing and shelter would not increase in proportion to his wages?

THE STARVATION METHOD.—There is formed in Cleveland at one time or another the "No-Meat Club" or the "Thirty Cent Egg Club," the members of which pledge themselves to eat no meat or eggs until the price is reduced. This may secure lower prices on these foods temporarily, but not permanently. If the price is reduced, the people begin to eat the boycotted article again. The price goes up to its former level—or higher to offset the loss. Then there must be another abstinence to secure another reduction. But why should the people be required to go without meat, eggs, or any other food to be able to buy them at a fair price?

ELIMINATING THE MIDDLEMAN.—The Mayor of Indianapolis buys potatoes and sells them direct to consumers below the market price. That helps a few people save a little on potatoes. But could this system be extended to include everything needed, it would not guarantee us the opportunity to make

money to buy potatoes or anything else, no matter how cheap. It would simply eliminate the middleman whom we need. We are willing to pay him a reasonable amount for service and could well afford to do so if we were getting a fair share of what we earned. But if our unjust system of wealth distribution causes us to eliminate the middleman in order to continue to pay tribute to the moneyed interests, then we are retrograding, we are forced back to barter as in days of old.

Another effort to get relief is through co-operative societies which are organized to buy food and other necessaries. These at best can only avoid in a limited degree the middleman's profit and they give no guarantee of an income. They do not remove the fundamental cause of the trouble.

I am for regulating the all combination in restraint of trade, whether they be formed by three grocers in a village or by a score of multi-millionaires in Wall street, who seek to control the world supply of any commodity. But efforts to correct conditions will be futile if we regulate or even eliminate those three grocers—the middlemen, without controlling those higher up. The latter in hundreds of cases already control the source of supply, and they have themselves eliminated thousands of independent middlemen, but we have no relief. We will *never* get relief until we remove the *source* of our trouble.

POLITICAL REFORMS.—The Initiative, Referendum, Recall, Short Ballot, Commission Plan of Government, and similar schemes are being enacted throughout the country. While these are for political reforms principally they aid somewhat in economic reform. I believe in them, but they certainly are not sufficient to cope with the great problems which confront us. They are all right as remedies for such troubles as would in the human system correspond to boils, colds, and croup, but they certainly would not cure organic troubles like heart disease.

WOMAN'S SUFFRAGE.—I look upon the movement for woman's suffrage as a protest against existing conditions. As one of my friends expresses it, she does not care to vote but she

does want an improvement in the status of affairs so her children will have better opportunities than are afforded today. She feels that if men will not take the necessary steps to correct evils it is incumbent upon the women to see what they can do.

This motive is certainly commendable, and one can have no objection to women voting provided that without unsexing them it would improve conditions. I feel that women could exercise the same intelligence in voting as men, but I'm not persuaded that an utopian condition would be the immediate result of their being granted the right of franchise. To bring about that result, we must have better laws and better executives.

I believe that if women spent the same time and energy endeavoring to bring about reform that they are now in trying to get the right of suffrage, they would accomplish as much good for humanity in the end and raise the standard of womanhood at the same time. I sincerely hope the time is not far distant when conditions will be so improved that conscientious, progressive women will not feel the necessity or desire to vote.

When women have the right of suffrage they will naturally seek office, and every movement in this direction is an influence which leads them away from their home duties. Speed the time when the pendulum will swing back and there will be a recession of women from the marts of men toward the home where woman can wield her greatest influence and rise to her highest sphere. To me, woman attains her greatest glory, she occupies her noblest position in the place intended for her by the All-Wise Creator of the Universe—as Queen of the Home.

CARNEGIE'S WIDOW FUND.—Carnegie's endowment of \$25,000,000 to provide for needy widows is commendable. But it solves nothing except present hunger. If the husbands of many of the widows who will benefit by this fund had been properly compensated for their labor, their widows would not be humiliated subjects of charity today. It's the same as the case of England already mentioned.

LABOR UNIONS.—Labor unions are about the only effective bulwark to-day between wealth and pauperism. Their existence serves measurably to keep up the wage standard to the benefit of unaffiliated as well as associated workers. But labor leaders themselves admit that even though labor and capital are able to agree on terms, this would not really solve the economic problem. They realize that capital has the power of controlling prices of commodities and can get back any increase in wages twofold.

But unless the power of trusts are checked, even this fortress is doomed, for monopolies destroy unions just as fast as they are able. Their policy is to permit nothing to exist which stands in the way of doing as they please in the accumulation of wealth.

Under our present system of combinations of capital on one side and combinations of employees on the other, both striving to get advantage over the other, an unwholesome condition exists. As a matter of fact their interests are interdependent, and under a just system of profit sharing, such as would result from Individualism, both sides would work together to mutual advantage.

Since capitalists are permitted to combine for mutual advantage, workers must in justice be accorded the same right. It is not fair to ask an individual employee to deal with a great trust. Labor unions can never become a menace like trusts. The rich have sufficient funds to provide the necessaries of life for themselves and their dependents and they can hold out indefinitely in case of strike. But the means of labor are limited and in case of strike a time comes when they have to give in. Therefore, until a better system of wealth distribution can be materialized which will give capital and labor an incentive to work for their mutual interests, labor should not be discriminated against by the courts as they have been in the past.

REGULATION.—A few years ago the wail of unwholesome conditions came only from the poor. To-day we hear the pitiful cry for a new deal going up from the rich also. This is

a peculiar condition which will be interesting to analyze that we may determine the cause.

During the past three decades enormous fortunes have been accumulated with great rapidity through stock jobbing, bunko deals, trusts, pools, combinations, secret rebates, and kindred means. The wealthy have pursued a "public be damned" policy. They have had, relatively speaking, no consideration for the peoples' rights. They have taken every possible means which could be devised to filch money from them and stay out of jail. And to prevent the latter inconvenience, it is notorious that they have bought legislators, big and little, and have had favorable laws passed which would permit them to "obey the law" and still continue their pilfering. Even the judiciary has not been sacred to them. In hundreds of cases men have been raised to the bench, not to administer justice, but to bar it.

But, to use a trite saying, "they reckoned without their host." Something happened which was not on their program. Without being effusive, we can say that the American people have still enough good red blood in their veins that they will not stand for everything. There is a limit, and a few years ago the worm turned. A new deal was demanded and lately we have been enjoying a wave of reform. So strong has the demand for new conditions gone up from the people that those in power have seen the handwriting on the wall and acted accordingly.

Prosecutors have become busy, the money pirates have been haled into court, and they are now begging for mercy. On Jan. 10, 1912, Andrew Carnegie, appearing before the Stanley Steel Investigating Committee at Washington, in discussing the Standard Oil and tobacco decisions, said:

"The offenders in general (there may be exceptions) so far under the Supreme Court decision should be gently dealt with if they can plead misunderstanding of the law."

My, how the mighty are fallen! How humiliating it must be for the elect to beg for mercy from just ordinary, everyday human beings.

This same cry is going from the Captains of Infamy everywhere—"We didn't know we were doing wrong." But deep down in their hearts they are saying to themselves, and to each other—only to each other—in regard to the Sherman Anti-Trust Law, "We didn't know it was loaded."

These men who are "in bad" now want to let bygones be bygones. They are willing to be forgiven for their little mischievous stunts of combining billions of dollars of capital in direct violation of the law, stifling competition and robbing the people of hundreds of millions by means of watered stock, freeze-outs, and other little tricks of the trade. They would now like to be "gently dealt with." And they would like, if you please, Mr. People, they would like a "Commission" appointed, a Commission of "business men," not impractical fellows like lawyers, but a bunch of good fellows like themselves, who could read over the laws and see what they really do mean, and then tell them just what they could do and what they couldn't. A Commission that should, to use Mr. Carnegie's words, "examine all details, ascertain cost of production, adding to this such amount as in its judgment will yield a fair or even a liberal return upon capital when skillfully invested and properly managed. The maximum selling price to consumers to be fixed by the court, based upon the average cost price of production in well managed up-to-date works."

Of course we would naturally expect the most worthy "Commission" to base their calculations on the steel trust, for instance, on \$1,400,000,000 capital and bonds—overlooking the fact that something like \$800,000,000 of it is water. Why certainly. The merest courtesy would demand that.

Now, what is this move? Is it a square deal or a frame-up? Well, I confess my inability to read minds and I can't say for sure, but I can and do have an opinion and it is simply this:

The leopard doesn't change its spots and I am firmly convinced that the men who control "big business"—"the system"—

have not become conscience stricken and overflowing with remorse simply because they have found themselves momentarily in a tight place. It isn't reasonable to believe it. They still want to control affairs as much or more than they did before, and they are simply playing for time until the ire and vigilance of the people have subsided and they can get a new strangle hold upon them.

“Regulation of trusts” a remedy? In the light of experience, to attempt to regulate trusts without curbing the power of the *individuals* behind them would be as foolish and futile as to attempt to reach the North Pole in a duck suit and a straw hat.

Away back in 1887 the Interstate Commerce Act was passed as a direct result of the exposure of the scandalous practice of the Standard Oil Company in not only getting rebates from railroads on its own shipments, but on its competitors' shipments as well. And we know what terrible things that Interstate Commerce Commission has done to the Standard Oil and all other corporations in the past quarter of a century.

And, by the way, we have noticed the dire results of the terrible solar plexus blow recently dealt the Standard Oil by the Supreme Court. That Company has been busy since “cutting melons” in the shape of millions of dollars and distributing them among its stockholders. One would naturally infer from this that it was not going to take so much capital to conduct its business under the new plan, but on second consideration it seems that this money is to be retaken from the people, as its prices have gone up. The excuse given is that it costs more to operate under the new scheme. Oh, well, we have known for a long time that it is pretty hard to slip one over on John D. His trust seems to have a well defined, time honored policy that the people stand all its losses and the company makes all its profits.

In the past twenty-two years, since the Sherman Anti-Trust Law was passed by Congress and hundreds of other laws to prevent pools and combinations in restraint of trade have been

enacted by the various States, practically all of the great trusts have had their birth and growth. A veritable horde of Frankenstein's, big and little, have grown up under laws enacted to stifle them.

The men who formed the great trusts are now begging to be "regulated." Since they have wilfully defied the law in the past, what assurance have we that they will respect it in the future? And since the law was unable to prevent them from combining while operating individual companies, how in the name of common sense is it going to regulate their actions now that they have combined and are therefore infinitely more able to resist?

Furthermore, if these men are sincere in their desire to do what is right and just, why should they ask or desire laws to regulate their actions? Is it possible that they have lost control over themselves? Have they become like a man who, for instance, has committed many foul deeds and wants to reform, but is afraid he cannot control himself, so he goes to the authorities and asks to be locked up so he can commit no more wrong?

Men of Troy, beware the wooden horse, "Regulation." Should you draw it within your gates, hidden within its vitals will be found that trust formed instrument, "The Commission," whose baleful, insidious, destructive power will crush the life of your women and children and destroy the penates of your fire-sides.

Rockefeller, Carnegie and Morgan with a dozen others, control the destinies of the ninety odd millions of people who inhabit these United States. Our boasted republic of freemen is controlled by an oligarchy whose untold wealth and the dominating influence which it gives them is more powerful than a standing army. They hold the sinews of war. There is only one way to "regulate" them and that is to shear them of their power as the Philistines did Sampson of old. I believe we should do what we can to regulate the trusts, but to make this effective we must regulate the individual. Until the units of society are reduced in their financial strength, until they can be made amenable

to the law, there can be no effective regulation of their combinations. Properly regulate the individuals and the regulation of the trusts will be a comparatively easy matter.

GOVERNMENT OWNERSHIP.—Another remedy proposed is public ownership. Those who advocate this means of besting the trusts thereby admit the inability of the government to control the creatures which have grown up under its protection. This is a sad commentary on our boasted system of government, and while I admit that we are virtually governed by an oligarchy today, I am not willing to admit that the people have not the power to so change their laws that they will again become supreme.

I am sure that if the wealth accumulations of each individual are limited to what he should justly have, that it will not be necessary for the government to go into the coal mining business in Alaska to compete with the coal barons who are holding up the people of the Northwest for exorbitant prices; that it will not be necessary for the government to take over the eighteen billion dollars' worth of railroads in this country in order that just rates and conditions may be secured for the producer and consumer, or do many of the other things which the public ownership enthusiasts propose.

Let us see what would happen if those who believe in government ownership were to carry out their program. In the first place, if the government started in to compete with private enterprise to keep down prices and keep up wages, it would have to compete with every trust in the country. This would necessitate buying from 40% to 50% of each industry controlled by a trust. It would, in most instances, have to buy from the trusts themselves. The trusts owners would then have billions of dollars of capital realized from the sale of property to the government, besides still owning approximately half the business of the country. Since they practically run the government now they would be infinitely more powerful to do so then. And our last state would be worse than the first.

INDIVIDUALISM VS. SOCIALISM.—Socialism is one of the many evils which have resulted from the world's inane policy of permitting human avarice to go unrestrained. It has attained more or less popularity for the following reasons:

(a) Because it has been intensely advertised; (b) because, like a free lunch, it offers something for nothing, and (c) because the people are so thoroughly disgusted with existing conditions that, like a drowning man who grasps at a straw, they are willing to accept even a dream in the hope that it will turn out to be a reality.

I have great respect for the intentions of many who subscribe to its doctrines. I believe them to be sincere, but misguided men and women who are anxious to do something to better the status of humanity, and have been lured to Socialism by its social reform program, the aims and ends of which all humanitarians endorse. But Socialism is subtle and insidious. Its evils lie beneath its cloak of social reform. Its ultimate program is so enervating, impractical, selfish, anarchistic and vile that when its decent, well meaning advocates learn what it actually is they forsake it forthwith.

Let us see from the writings and speeches of its leaders what its program really is, and what would result from its adoption. At the same time we will compare it with Individualism and note that one is the direct antithesis of the other.

ENERVATING.—Socialism would centralize all ownership and power as far as possible in the government. The people would become mere cogs in a great machine. The routine and lack of independent action would dwarf them much as an orphan asylum does its inmates. Individualism would leave ownership of property and power with the people as far as possible and practical. This would put each one on his own merits, thereby developing the race. People would have even more of an opportunity for independent effort than under our present Liberalism, for hundreds of thousands are now dominated by trusts which

make working conditions similar to what they would be under Socialism.

Socialism would lower the standard of intelligence and decrease energy because all workers would be compensated equally according to the number of hours they worked, irrespective of the kind or amount of work they did. This would remove the incentive to self improvement and individual effort. Under Individualism the standard would be raised as workers would be compensated according to both the quality and quantity of their work.

IMPRACTICAL.—Socialism is impractical because it proposes to treat all men as equals in their earning capacity. They are not equal in this respect and no set of human laws can make them so. Individualism is practical because it recognizes the inequality of men in their ability to accumulate wealth, and would permit each to exercise his ability 100 times beyond the average.

Socialism is impractical because its success would require each person to work for the common good. This is an ideal condition which we would all like to bring about, but in dealing with human nature we must take it as it is and not as we wish it were. Individualism recognizes that people are more or less selfish, and it would take advantage of that by making it an incentive for them to help each other in order to help themselves; for example, by sharing profits as will be explained at length later. Those who were thoroughly selfish would be curbed from carrying their passion for money making to a point where it could injure others as now.

Centralization of wealth is always dangerous, as it gives a few strong men a better opportunity of getting control of it than they would have if ownership were well distributed among many individuals. Therefore on this point Individualism is far better than any form of communism.

ANARCHISTIC.—Socialists advocate a Red Revolution if necessary to establish their system of philosophy. Individual-

ism would establish itself not through violence, but through the legal procedure prescribed in the basic law of the Nation.

ATHEISTIC.—Socialism would destroy Christianity if it could. Here are two of several extracts taken from *The Common Cause*, February, 1912, which show just where the leaders of this movement stand:

“It is our duty as Socialists to root out the faith in God with all our zeal, nor is any one worthy the name who does not consecrate himself to the spread of atheism.”—Wilhelm Liebknecht in *Materialist Basis of History*.

“Christianity is the enemy of liberty and civilization. It has kept mankind in slavery and oppression. The Church and State have always fraternally united to exploit the people. Christianity and Socialism are like fire and water.”—August Bebel in *Vorwärts*.

Socialism would not only attempt to destroy Christianity, but the sacredness of the family as well, by making the marriage contract one of convenience. A man and woman being permitted to dissolve the bond at pleasure without civil or religious sanction. Individualism anticipates no change in respect to the marriage laws.

Free love is commonly advocated by Socialists, and one prominent writer whom I have read makes the nauseating suggestion that the time will come when young people may gratify their passions without shame.

And this is but an inkling of the foul vileness of Socialism which, under the cloak of “social reform,” has crept into our midst; whose deadly poison has inoculated more than a million of our people. Were it possible that Socialism should become powerful enough to put its tenets into force, we would have a condition a thousand times worse than under our present Liberalism.

Socialism is like an ugly sore on a man’s face. A doctor may come, look at it, and declare that it should not be there. But though he talk a year against it, and do nothing to remove the cause, it will remain there still; it will increase its deadly in-

fluence, and finally end the life of the patient. Liberalism is fostering Socialism, we must eradicate the former from our economic system or take the consequences of the latter.

* * *

(To learn what Socialism really is see *The Common Cause*, New York City, or *Socialism: The Nation of Fatherless Children*, by David Goldstein, Boston.)

The Solution

As stated at the outset, our economic troubles are due primarily to the fact that some people have too much wealth, others too little. My solution is to limit each individual to \$100,000 of commercial property, permitting him to retain in addition an unlimited amount of non-commercial property.

By "commercial property" I mean all wealth except that which is owned and used for personal shelter, food, clothing, pleasure, luxury, charitable and religious purposes. Under this arrangement therefore, each individual could have:

(1) An aggregate of \$100,000 of commercial property, such as money, notes, stocks, bonds, machinery, boats, and improved or vacant land used or held for private gain, rented or otherwise;

(2) An unlimited amount of non-commercial property held for personal use, such as a homestead, including any amount of land actually used for homestead purposes, food, fuel, furniture, clothing, fine art, jewelry, automobiles, etc., used for pleasure.

Under this arrangement a pope, bishop, rabbi, congregation, religious order, or any strictly eleemosynary or educational institution not conducted for profit could have an unlimited amount of church or institutional property, as that would not come under the head of "commercial property."

IS THE LIMIT HIGH ENOUGH?—I think *everyone* will admit that it would not be well if one person owned all the money in the world, therefore there must be some amount between

nothing and everything to which each individual ought to be limited. But we have become so accustomed to think of men possessing millions, and even hundreds of millions, that the question naturally arises, "Is the proposed limit high enough?"

In considering this it should be borne in mind that the limitation is put on the *individual*, not on a family. Women and children could each have as much as men.

The legitimate uses of wealth are as follows: To provide (1) the necessaries of life; (2) a surplus for the "rainy day"; (3) for religion, charity and other benevolences; (4) bequests for dependents, and (5) luxuries. Let us see if the amount permitted to be held is not more than sufficient to amply provide for all these legitimate uses of wealth.

To the rich the cost of actual necessaries of life are not great, relatively considered. They include food, clothing and shelter. A person can eat only three meals a day—safely, he can wear only one suit of clothes at a time—comfortably, and he needs only one roof to sleep under. For a family of five, the following amounts would be ample: Food, \$1,500; clothing, \$1,000; rent \$1,500. If the head of a family of five, worth in toto \$500,000, worked, his salary ought to be at least \$2,000. Four per cent net on \$500,000 would provide an income of \$20,000, making the total income for the family \$22,000. The limit would therefore provide for the necessaries and leave a surplus of \$18,000, which must be disposed of. And \$18,000 a year for a family ought to be ample for recreation, religion, charities, luxuries, etc.

The individual income on \$100,000 capital would be ample provision against old age or other non-producing periods of life. Insurance could be carried to provide for these exigencies also.

At the death of any member of the family his \$100,000 would be available for bequests.

This analysis shows that the limit is ample for each individual to provide for his own uses and do something *for* his

fellow man—but not sufficient to permit him to do much *against* him.

Let us consider the limit from another angle, the superior earning power of one person over another. If all individuals were equal in this respect and had the same opportunities, they would each possess an equal share of the wealth of the country. But since some people are more capable than others, and willing to work harder to earn and make greater sacrifices to save, they should be permitted to have more than the average.

The per capita wealth being \$1,300, and our limit being \$100,000 plus an unlimited amount of non-commercial property, which could amount to \$30,000, this would permit one person to have at least \$130,000 commercial and non-commercial property combined, or 100 times as much as the average.

If all men had approximately even opportunities, would one man be more than 100 times stronger than the average? Consider it on a physical basis. Can one man shovel more coal than 100 men? Can one carpenter drive more nails than 100 others? Can one mason lay more bricks than 100 others? Obviously not; therefore, on a purely physical basis, the limit is high.

Mental ability is more difficult to measure. Can a lawyer or a doctor or a salesman do 100 times as much as the average man?

The immense fortunes in this country, as we know, have been made through laws which favor the rich at the expense of the poor, through illegal combinations of capital which permit the cutting of wages and the arbitrary increase of prices, through the sale of watered stock, through the freezing out of stockholders, and numerous other unjust means and measures. In respect to crookedness and injustice, I am willing to admit that some men are more than a hundred times as adept as the average, and this is the trait in human nature which Individualism would curb.

There is one other feature to consider. Can one person be 100 times more saving than the average man? Suppose 100 men are earning \$100 a month each. A few will spend more than that and run into debt, others will spend just that, but it is

conservative to say that at least half will save an average of \$10 each. The 50 will therefore save \$500. As this is 5 times as much as any one of them makes, it is obvious that one person cannot save as much as even a small per cent of 100 average earners.

In view of the above I feel that the limit is just, ample and even liberal from every standpoint.

Results of Individualism

Individualism is not a panacea which is guaranteed *per se* to cure all the ills that "flesh is heir to," but it would remove the fundamental cause of present conditions, and thereby permit many wholesome reforms to be accomplished. There would be no great power behind the throne as now to thwart the will and interests of the people.

Individualism is not warranted to make the lazy lively, nor to make the spendthrifts save their money, but it would give those who are anxious to work and lay up something for the future a chance to do so. It would help humanity materially, mentally and morally as I shall proceed to demonstrate.

MINIMIZE POVERTY.—Since Individualism would result in a more equal distribution of wealth, it would necessarily minimize poverty. There is a limited amount of wealth in any country. If a few men get control of most of it, the others must necessarily have relatively less. And if the centralization continues far enough, the time comes when some people have so much wealth that they can enjoy every possible luxury and still not consume even a fraction of their incomes, while others have to struggle along on the edge of starvation.

That is the condition we have reached. A few American citizens own **HUNDREDS OF MILLIONS** of dollars' worth of property each. And yet there are tens of thousands of other American citizens who would not realize enough to pay their

grocer and landlord, if the furniture and clothing of the whole family were sold.

This winter I went into a "home" in this city and found this condition, which is typical of thousands of others: A father, who had been unable to secure work for several weeks, a mother sitting on a box by a kitchen stove, containing but a meager fire, trying to keep warm a ten days' old baby, *born in below zero weather*; three small boys—one without shoes or stockings, another with mittens and cap to aid the spark of fire help keep him warm. These 6 American citizens possessed, collectively (with 3 months' rent unpaid), about \$8 worth of junk furniture and clothing, and 2 *potatoes*. The latter being the remains of what had been supplied them by the city.

And the combined wealth of two men in this country exceeds ONE BILLION DOLLARS! Look at the line of figures—\$1,000,000,000.00.

Under Individualism there would be just as much wealth as before, but there would be no Carnegie, who could GIVE AWAY TWO HUNDRED MILLION DOLLARS to perpetuate his name, while an able-bodied man who was willing to work could not have more than 2 *potatoes* to keep his family of six from starving.

The per capita wealth in the United States, figuring ninety millions of people and one hundred and twenty billions of dollars' worth of value, is about \$1,300 each. If Rockefeller has \$800,000,000, as reputed, he has over SIX HUNDRED THOUSAND TIMES as much as the average person in the United States; he could give every man, woman and child in the city of Cleveland \$1,000 each and still have practically \$240,000,000 left; by giving away \$5,000 a *minute*, working 8 hours a day, it would require, to dispose of his wealth, 333 DAYS!

But wait, my friends, be not alarmed at such an inconceivable aggregation of affluence. Remember, Congress in Washington is on the job. Our representatives are looking after us "back home." They are seeing that we are going to get a square

deal. Yea, e'en now they are wrestling with the mighty problem of coining a half-cent piece so our wives can grab up the corner grocer's bargains. With such wise and judicious masters at the helm of the Ship of State, what need we fear for the future? Let John D. revel in his Eight Hundred Millions; if this question be decided in favor of us, The People, we shall soon be able to jingle a new, bright half-cent piece against the night key in our jeans, and then we'll all be happy. Hats off I say to those noble patriots who have the keen vision to see the crux of the high cost of living, and solve it by that master stroke of statesmanship—The Half-Cent. With that formidable weapon in David's sling, the John D.s and other Goliaths had better seek refuge in the woods forthwith! We'll buy a half-cent's worth of oil or potatoes and let the remainder perish on their hands. The half-cent will solve the high cost of living—NOT.

Under Individualism there could be no Rockefeller wallowing in this mass of wealth while millions of just as honest American citizens have to figure down to the half-cent; while the mothers of the 6-year-old infants drag them along the streets at dawn to labor all day in mills, as is done in hundreds of cases in this country today.

Under Individualism there would be no trust-made magnates who could give their wives pearl necklaces which cost \$500,000, or even \$200,000, while thousands and thousands of their fellow countrymen did not have enough clothing to prevent them suffering from the rigors of zero weather.

Under Individualism there would be no favored few who could amass hundreds of millions by means of tariff protection and underpaid labor which brought about living conditions so inhuman and intolerable that it caused a Homestead strike, the horror of which, after 20 years, is still deeply impressed upon the memory, or a coal strike, or a McKeesport, Lawrence, or others of more recent memory.

MINIMIZE TRUST EVILS.—Individualism would reduce the insidious influence of trusts, or huge combinations of

capital, by eliminating watered stock, destroying the incentive to filch both the employee and the consumer, and aiding both directly and indirectly in restoring competition. While doing this the legitimate usefulness of great corporations would not be impaired, and our commercial supremacy would be as marked as now.

EVAPORATE WATERED STOCK.—Individualism would automatically squeeze water out of stocks of the great corporations. A man who had in excess of the limit would naturally list his stock at its true value when The Readjustment took place.

RESTORE COMPETITION.—A great many men have been forced unwillingly either to amalgamate with the trusts or be ruined. They are capable men of independent temperament and prefer to be at the head of small business enterprises of their own than to be nobodies in great corporations. As soon, therefore, as the greedy multi-millionaires are shorn of the power and incentive to crush competition at any cost, just so soon will these independents re-establish themselves in business.

A NEW BUSINESS POLICY.—Under Individualism we could still have as large corporations as now but there would be different motives behind their owners. The minority stockholders would have far greater consideration. They would have a real voice in the election of directors, and I have enough confidence in the people to believe that if the control of any company was divided with tolerable equality among a large number of people they would not permit the Two Edged Sword used against the wage earner on one side and the consumer on the other.

MORE STEADY EMPLOYMENT.—Individualism would make employment of labor more steady. That is almost as important to the laboring classes as high wages, many never having been trained to save for the rainy day. If the annual income of a man was limited to \$1,200 a year, no matter how much he worked, it would be better for him and his family to

make \$100 a month for 12 months than \$200 a month for 6 months and be idle the rest of the time.

Mr. Louis D. Brandeis of Boston, in testifying before the Senate Committee on Interstate Commerce in December, 1911, stated that for nearly four years the plants of the United States Steel Corporation were operated at little more than two-thirds their capacity. The company is so large that it cannot keep all the men employed all the time. Under Individualism there would be no incentive to have a company so big that it could not keep all its plants in operation. Under our present Liberalism, if a millionaire can keep half, or even a quarter, of his wealth bringing in an income all the time; he does not have to worry about getting along. But if a man were limited to \$100,000 he would endeavor to keep all of it working all the time.

When companies are too large, they not only cannot keep their plants in operation continuously, but they cannot maintain the quality of their product. This also has been demonstrated in the case of the steel trust, as evidenced by the greatly increased number of railroad wrecks during the past ten years.

The fact that an employer of labor were limited in his holdings would also cause him to take such steps as would insure his retaining the maximum amount and secure a good income therefrom. Therefore, instead of getting all the work he could out of his employees and giving them as little as possible in return, it would be to his advantage to aid them in every way he could. Their prosperity would insure his prosperity. Here are some of the steps he would find it to his interest to take:

(1) INCREASE WAGES—To pay as high wages as he could afford in order to attract and retain the most reliable and most skilled men in his line of work.

(2) SHARE PROFITS—To share profits with his employees on a merit basis and thus induce them to put forth their best efforts.

(3) IMPROVE WORKING CONDITIONS—To improve the working conditions of his employees to increase their efficiency and insure their loyalty.

If some employers were so selfish that they would not voluntarily make these concessions or were so short sighted that they could not see it was to their interest to do so, they would be compelled to in order to save themselves. Suppose there were three machine shops in a town, each employing 100 men. If the owner of one, to insure the retention of his maximum limit of capital and derive a good income therefrom, increased the wages of his men, gave them a share of the profits and improved their working conditions, and the proprietors of the other two shops failed to do likewise, their men would naturally apply to the up-to-date man for work. He then would be in a position to select the best workers in that industry in the town. This will give him a great advantage over his competitors, and they would be compelled to follow suit in self protection.

Practically the same process would militate to raise the wages of workers whose employers were not directly affected by the new order. Suppose a lawyer was paying his stenographer \$50 per month. If he were not so affluent as to find it necessary to increase his stenographer's salary to help rid himself of his surplus income, he might not voluntarily do so. But if the factories in his town raised the salaries of their stenographers, he would then have to do likewise or his stenographer would get a job with one of them and he would have to take an inferior worker at \$50 per month. A similar adjustment would take place in every department of effort. Individualism would therefore make for equalization all along the line.

But the lawyer and others similarly affected could well afford to meet the increase as their net income would increase. Those who now have wealth in excess of what they need and should have are the only ones whose incomes would be decreased under Individualism.

WOULD INCREASE CONSERVATISM.—Present opportunities for making great fortunes quickly through stock

jobbing and gambling in the markets tend to make gamblers. The new order of affairs would prevent this to a large degree. Furthermore, it would aid materially in making the people more conservative.

When men did business as individuals or as partners, they were personally liable for debts and were necessarily conservative. Today a corporation can gamble any amount in the business world and if it loses, its stockholders cannot be held for more than the face of their stock. If the amount of wealth which a person could own were limited, it would largely remove the incentive for him to take a chance on making "a big winner," because he could not retain it if he were successful. Furthermore, he could not so well afford to take a chance of losing.

In addition to all the above, men would further discount their chance of loss by resorting more extensively to insurance. Fire, life, accident and sick insurance are common now. These forms would not only become more popular and general but other forms would come in vogue also. For example, farmers would insure against drouth and failure of crops. Southern horticulturists and agriculturists would insure their orange groves and other perishables against frost. Most people would insure their property against tornadoes. Business men would insure against losses incident to their particular lines, etc., and every extension of insurance would help to maintain a fair distribution of wealth.

RAISE STANDARD OF LIVING.—Individualism would raise the standard of living of the poor, the head of the house having an opportunity to earn a larger income because of more steady employment and increased wages. Those who were able and willing to work and husband their earnings could have all the necessaries and at least some of the luxuries of life.

LESSEN CHILD AND WOMAN LABOR.—Child labor could be abolished and fewer girls and women would be required to work in proportion as the opportunity of fathers to earn were increased. If this were done without a more equitable distribution of wealth than we have at present, the standard of

living must necessarily decrease. Therefore, in order to do away with child and woman labor we must increase the earning power of fathers, husbands and brothers.

BETTER EDUCATION.—More children could be sent to school longer, and a larger percentage could have the benefit of a college education.

RECREATION AND SELF-IMPROVEMENT.—Shorter hours of labor would permit wage earners more time for self improvement, recreation, family enjoyment, social and religious service.

INCREASE OF INDIVIDUAL EFFICIENCY.—Individualism offers the best possible incentive to human development because merit would be a material factor in compensation. Under the union labor system of today the wages of all journeymen in an industry are virtually the same. Under Individualism individual efficiency would count in every occupation, since part of the compensation would come from profits distributed on a merit basis.

INCREASE MARRIAGES.—On account of the high cost of living many young men nowadays fail to get married. They realize their inability to give a wife the same standard of living which she now enjoys. Many young women now earn as good salaries as men, and the youth knows that if he marries such a girl there will be but one income where there were two before, hence he hesitates about taking the step. With a less number of young women working and the men earning larger wages, the present financial barrier would be removed.

MORAL EFFECT.—Extremes breed crime. The very rich become so avaricious that they commit crimes and do injustices to their fellowmen that they may make more money. Furthermore, they become so engrossed in their race for wealth that they fail to consider the future life. Extreme poverty is responsible for many petty crimes, both of omission and of commission. Since Individualism would reduce swollen fortunes and

minimize poverty it would produce a wholesome moral effect accordingly.

CHECK WHITE SLAVERY.—One of the most baleful results of poverty is white slavery. Many girls and young women are now easy victims of the so-called white slave traffic since their incomes are so small as to prevent in many cases their earning enough to give them the standard of living they desire. Individualism would, of course, not in itself abolish this evil, but it would at least remove one of the causes of it.

CHECK RACE SUICIDE.—There would be an incentive to those ambitious to be rich to have a large family, so they could continue their accumulations and still keep the wealth within the immediate family circle.

A NEW IDEAL.—The need of the world today is A New Ideal. In playing the great Game of Grab, in the Struggle for the Material, the people are developing their baser instead of their higher qualities. We are not all Christians, but we are all human, and the ideal to which we can universally subscribe, whether Pagan, Infidel, Jew, Protestant, Catholic, or other belief, is what Christ called the second great commandment—the Love of our Neighbor. We can all work for The Cause of Humanity.

Objections Anticipated and Answered

While Individualism would benefit everyone, a few thousand would have to dispose of a surplus when The Readjustment came, and many of these naturally will be against its adoption. Being the ones in control of affairs, they will have an opportunity to voice their objections so as to make it seem as if they came from a much larger number. Here are some of the objections which will be made:

EFFECT ON INCENTIVE.—Among the first objections which will be advanced is that it would destroy incentive to earn and save. A careful analysis shows that it would not destroy legitimate effort one iota, but on the whole would increase this incentive to a marvelous extent. It certainly would curb selfish men from carrying out schemes by which they could make hundreds of millions, but think of the hundreds and hundreds of thousands of people in whom it would put new heart and life because they would now have enough to eat and wear, and they would feel there was a place for them in the great plan of life.

One man said this: "Suppose a man were an inventive genius and invented a few good devices which were valuable to mankind and made his limit, he would have no incentive to continue inventing and the world would lose the value of his genius."

Let us consider probably the best known, most prolific and most useful inventor in the world, Edison, and see what would probably happen in his case. I presume Mr. Edison has so much wealth that he would have to dispose of some of it to come within the limit, but is it reasonable to suppose that because he

could add no more to his fortune he would stop inventing? I have not the honor of a personal acquaintance with him, but my guess is that this certainly would not stop him. Inventing to him is life. The mere making of money is a secondary consideration. He is doing something for humanity. He gets personal satisfaction out of his improvements. Under an Individualistic regime, Edison, undoubtedly, would go on inventing as long as he could. He has an ideal in life which is something else than the sordid desire to make money.

Edison is merely a type. Even now many eminent physicians and surgeons, when they discover something which will benefit the human race, at once give it to the whole world to use free. They don't get it patented to make money on. Their hearts are in their *work*, not in the money they can make from it. Individualism certainly would not stop their incentive.

But how about the business man? What would he do when he had reached his limit?

There are several situations here to consider. I talked with a man recently who had made a fortune in the iron business. A few years ago the steel trust scared him into selling, and offering him three times what his plant was worth, he accepted and retired. He "loafed" a couple of years, but found time weighing heavily on his hands, so he took a job as superintendent for an independent mill at a moderate salary. He is now helping the other fellow get along and is perfectly satisfied.

CURBING THE SELFISH.—Suppose a man did not want to retire or work for someone else, but preferred to continue conducting the business he has spent his life at. There is absolutely nothing in the plan of Individualism which would prevent him from continuing in business. If he were an employer of labor and so absolutely selfish that he would not share profits with his men, his earnings *ought to be curbed* so as to give someone else a chance who would be more considerate of those less fortunate and capable. But even this selfish fellow could go on making as much as he could providing he used the surplus in such

a way that he would not accumulate more than the limit of commercial property. He could spend it in travel and luxuries, or in acquiring a splendid home and other non-commercial property. And yet there would be a natural limit to this. Under most favorable conditions, mammoth incomes like those today would be absolutely impossible. Furthermore, taxation on non-commercial property would in itself serve to limit its accumulations beyond a reasonable amount.

DEVELOPING MANHOOD.—But how nicely it would work with the man who was not entirely selfish. When he had acquired the limit for himself, his wife, each of his children, and anyone else to whom he took a fancy, it would be natural for him to consider next those who had helped him gain that position of independence. He would establish a system of profit sharing in his mill, factory, store or office, thereby disposing of his surplus. And think how that would develop in him the highest qualities in mankind—the helping of others. If Individualism did nothing else but develop real men out of the present crop of selfish money-mad maniacs it would be worth while.

Those who have tried it realize that the only real happiness in this life comes from service—doing something for others, and the best kind of service is that which helps men to help themselves. There is no more pitiful spectacle in the world than the selfish miser who lives for self alone.

Suppose a lawyer, doctor or other professional man, who is not an employer of labor, acquired the limit and was still capable of making \$20,000 or \$30,000 a year from his practice, what could he do?

If he were of the selfish type he could do as proposed for the selfish fellow above. If the other, he could do something for humanity, work just as hard, and *get more out of life* than before. Let him serve his clients or patients for more modest fees if he desired, let him give his surplus income to religious or charitable institutions, let him pay for the education of some worthy young men and women. My God, let him do something for humanity!

And think of the opportunities for public, as well as social service. What a great world this would be if the strong men, the men who have demonstrated their ability to make good in the business and professional world, should turn their energies to public service. What a glorious example we had here in Cleveland in the person of Tom L. Johnson, who devoted ten years of his life to the people's interests. He was called everything which embodied selfishness, insincerity and crookedness, because he was almost a pioneer in this line. Many people could not believe that a millionaire could give up his race for wealth and work for the interests of others at a comparatively small salary. Tom L. Johnson paved the way for others and left a lasting monument which will endure in the hearts of the people.

That system of economics must be commendable which would cause men who have the ability to make millions to turn their efforts to doing something *for* their fellow men, instead of scheming *against* them! Under Individualism the incentive would be to develop the *best* there is in men; under our present liberalism the incentive is for them to do their *worst*.

INCREASE EFFICIENCY OF LABOR.—Now let us consider what effect Individualism would have upon those millions of workers who have less than the limit. Our present policy of no-limit, get-all-you-can, is essentially selfish; the policy of employers is to get as much out of their employees as possible and give them as little as need be in return. The employees, reflecting this spirit, pursue in many instances the policy of getting all they can and giving less than they might in return. Therefore, capital and labor under our present system are antagonistic.

Suppose Individualism should become effective. The relations of capital and labor would cease to be antagonistic and become reciprocal instead. We have seen that for various reasons it would be to the employers' interest to share profits with their employees on a merit system. This would make it to the advantage of the employed to put forth more energy, become more skilled, take greater care with their work, and put forth their

best efforts in the interests of their employers. What a great advantage to have such harmonious relations. Strikes, boycotts and lockouts would be minimized, and the co-operation and harmony between employers and employees would be greatly increased to the benefit of all.

Thus we see that the increased incentive for honest effort to the millions of workers would outweigh immeasurably any curbing of unjust effort upon the part of the few.

EFFECT ON COMMERCE.—Some will object that Individualism would destroy our commercial advantage over other nations. This is a specious objection. In the first place the principle underlying Individualism is not only applicable to our country, but to the whole world, and there is no reason why it would not materialize in other nations as quickly as here.

But suppose we were the first to adopt it, we would really be in a better position to compete for foreign business than now; (1) our labor would become more skilled and put forth greater energy than before for the reasons already stated; (2) there would be no watered stock on which dividends must be made, therefore we could sell as cheap or cheaper and the people at large would receive as much benefit as now.

And by the way, where does our great advantage in the markets of the world rest now? In many cases, right upon the shoulders of the American citizens. Hundreds of articles are manufactured by the sweat of American labor, shipped to foreign countries and sold for less than we can buy them right here at home. Surely we have a fine advantage in the markets of the world, but the people of this country are bearing the burden and the money barons are reaping the benefit.

THE AMENDMENT.—Some legal lights will advance the objection that such a change as we propose would not be constitutional. If they will throw off their superficiality for the nonce, they will remember that the Federal Constitution provides for its own amendment; that the people are supreme and can change the basic law of the nation as they see fit; that fifteen

amendments have already been made in the instrument which proves that it can be changed.

TAKING MONEY ABROAD.—It will be argued that many, especially the multi-millionaires, instead of submitting to The Readjustment, would expatriate themselves, to Canada, for instance. In the light of analysis, this objection fades into insignificance. In the event that Canada did not adopt Individualism before we did, let us see what would happen.

In the first place, Mr. Millionaire or Billionaire could not take the land, and we would still have three million square miles of soil left after he had gone, also all the oil, gas, coal, lead, zinc, iron, silver, gold, and other base and precious elements in it. Neither could he take the improvements, the factories, great buildings, dwellings, pavements, bridges and other fixtures. So we would still have our places to live and work when he was with us no more.

What could he take? Money, jewelry, furniture and art (and the law might even prevent the latter as European nations do now, if deemed advisable). How much money could he take? All he could get together, of course, but he would have a hard time getting even a few millions together with which to hike. If he had property worth a million, he would have to sell it to some other millionaire who was going to stay. But no millionaire who was going to remain would buy it because he would have no use for it after he had bought it, as he would either have to divide it among others in blocks of not to exceed \$100,000 or have it taken from him by the government.

Nevertheless, every millionaire who didn't like the way we were doing things, and therefore decided to leave us, would be able to "scrape together" at least *some* cash. Suppose the total aggregated the enormous sum of *a half a billion dollars*; that wouldn't break us. It would not be one 250th part of the wealth of this nation. Our money per capita being about \$32, even if they carried it ALL off, 97½% of our wealth would still re-

worth of precious metals in our rock-ribbed districts, our mints would still be in working order, and the Government at Washington could get busy and give orders for the manufacture of more money.

There is another phase of this exodus feature worth mentioning. If the United States adopted Individualism before Canada, the latter would undoubtedly follow suit, and many of the wandering millionaires would doubtless then return.

HIDING THE SURPLUS.—The objection will not be overlooked that some people would not comply with the law, but would retain more than \$100,000 of commercial property. That is undoubtedly true. There are people breaking laws every day and they will probably continue to do so. But in this case they would not be able to injure others as they are at present.

If it were discovered any time that a person did retain more than the limit, the State would take the surplus and exact a penalty, just as it does now when a man does not make full returns for taxes.

Methods, of course, would have to be adopted to prevent as far as possible the hiding of surplus. All stock, bonds and mortgages could be required listed, and if dummy names were used it would be possible to run these down as addresses would have to be given. If stock were distributed among different people to hold that would not hurt, as it is the distribution of wealth we are aiming to accomplish.

The same reasoning applies here as in the case of taking wealth from the country. Practically our entire wealth is tangible and could be made accountable. Money from which no interest could be secured would be the principal wealth which could be hidden.

Suppose some who converted their surplus into money had \$100,000 or \$200,000 or \$300,000 so hid away in safety deposit vaults or elsewhere, the owners dare not use much over \$100,000 in their business or it would become apparent to the public and officials and be taken from them. Therefore, they

could not become a menace to their fellow men in preventing them from getting a living to which they are justly entitled.

Admitting that there would be some who would not obey the spirit or letter of the law, nevertheless the morals of the rich under the new regime would be greatly improved. No human law can make angels of men. There is a higher law which must be invoked for that. But under Individualism there would be many people working to make *men*, who now are bending their energies to make *money*.

RICH THE PROBLEM, NOT THE POOR.—In this whole discussion of possible objections, the wholesome thought stands out clearly that under the proposed regime the problem would be, "What to do with our rich?" not "What to do with the poor?" as is now the case. We also know that the rich are usually well able to take care of themselves; that they are greatly in the minority, and that the unquestioned justice of government is the greatest good to the greatest number.

Justice of the Principle

A fundamental principle of law, accepted by everyone except anarchists, is that as members of society we must give up certain rights which we could exercise if we lived apart from it.

If a man who owned a steam boiler made his home in a country inhabited only by himself he might carry 300 lbs. of steam on it, and there would be no one to molest or restrain him. He would be a law unto himself. But if he moved it to any place where people lived he would then be a member of society and would be governed by its laws.

The law provides that an inspector shall test each boiler, determine what pressure can be carried on it without danger of explosion and set its safety valve so the steam will "blow off" when the limit is reached. If the inspector found, upon testing this hypothetical boiler, that to carry 300 lbs. of steam on it was dangerous, its owner would not be permitted to do so. The safety valve would be set at 75 lbs. or whatever the safety mark was. He would be *limited* for the benefit of society.

Everyone admits that the law which thus limits a man's personal liberty is just. Let us examine a case in which we use money instead of steam and we will see that the same principle applies with equal force.

Suppose a boat should be wrecked upon an hitherto undiscovered island and only one of the crew survive. He might become owner of that entire island, and though it were stored with precious metals worth billions, that would make no difference to society. His wealth would not be a menace to it, he not being a part of it.

But if he should hail a passing ship, bring his vast fortune into society and use it to make himself still richer at the expense of his fellow men, whom he ground down to the condition that

they could not buy the necessities of life, he would be an enemy of society, and the State would have just as divine a right to curb his power to injure others as it did the other man from carrying 300 lbs. of steam on his boiler.

OTHER PRECEDENTS.—As a further evidence of the justice of the principle of limited ownership let us cite some laws which are among the statutes.

We make it a crime punishable by imprisonment for one person to do personal violence to another, or even threaten to. Are we not therefore justified in restraining men from acquiring so much wealth that they make their fellow men suffer the pangs of hunger and cold?

Every State regulates by law the rate of interest which can be collected for the use of money.

The Federal Government lays a tax on the incomes of all corporations whose net earnings are over \$5,000 per annum, and an amendment to the Federal Constitution is now pending which, if ratified by the legislatures of three-fourths of the States, will permit the taxation of incomes of individuals.

Some States lay a heavy tax on inheritances.

If these laws and similar restraints which we put on members of society are just, there would be nothing unjust in limiting ownership. In fact, unless we do, we are permitting great injustice against a large part of our people. It is not only the privilege, but the duty of society to protect the weak from the injustice of the strong.

History clearly establishes the fact that for thousands of years throughout the world members of society who have been possessed of great wealth have frequently been menaces to society. No human being can conceive the sufferings of humanity which have resulted from their machinations. To-day we have a condition which portends as great evils as any we can read of in history.

Throughout this bountiful land, whose crops are so plentiful that millions of bushels of its products are exported annually

to other countries, thousands of people have not enough to eat; throughout this land of wealth, whose bowels are laden with incalculable stores of coal, gas and oil, hundreds of thousands of its inhabitants have not sufficient fuel to keep them warm in winter; throughout this land of industry, with brains and machinery capable of competing with the labor of any country, hundreds of thousands of honest, willing, deserving men are searching for work in vain.

Those who are responsible for these intolerable conditions are nothing short of *enemies of society*, and simple justice demands that their power be curbed.

Program for Materializing

Hundreds of thousands of people throughout the world know from personal experience and observation that affairs are unjust, and that they will continue to get worse unless action is taken to correct them. Indeed, one can scarcely meet a person who has not a desire to do something to better conditions. Many are giving charity and doing noble welfare work, but they realize that this is simply relieving present needs, and that it is not helping much for the future. While this should be continued, a concentrated action which will strike at and remove the cause of much want and distress is certainly highly desirable.

The body politic has been attacked with a deadly disease and eruptions have appeared on the surface. While it is a good work to put salve on these sores and thus help to relieve the sufferings of the patient, yet if we are going to save the patient's life we must cure the disease itself. When that is done the sores will automatically disappear.

INDIVIDUALISM EFFECTIVE AND PRACTICAL.—A concentrated effort should be made to apply the remedy of Individualism, (1) because it is a positive cure and (2) because it is perfectly feasible.

The advent of the corporation, though largely responsible for our condition today, is the very thing which makes the materialization of Individualism possible. The airship had to wait the invention of the gas engine, and limited ownership in our age of large business and complex conditions had to await the invention of the corporation. Now that we have the one, we can have the other.

But no matter how practical or effective a plan may or might be, it will accomplish nothing unless materialized. The first logical and most effective step to vitalize Individualism is to

get an organized force behind it. Therefore, I propose the formation of a society to be composed of those who believe in the principle of limited ownership and are willing to assist in securing its adoption.

A PROPOSED PROGRAM.—A commendable feature of the solution is that much can be done toward realizing the benefits of it ere the keystone can be placed in position. The following program would aid greatly both in relieving the economic situation and hastening the ratification of the desired amendment:

- (1) Campaign for disciples among all classes.
- (2) Induce labor to advocate profit sharing.
- (3) Induce political parties to declare for limited ownership in their platforms.
- (4) Secure the passage of income tax and inheritance tax laws, also other regulatory and restrictive laws which will tend to prevent further centralization of wealth and make for a more equitable distribution of it.
- (5) Finally, secure such amendment to the Federal Constitution as will limit the amount of wealth which any individual may own.

CAMPAIGN OF EDUCATION.—There are at least some rich men who, upon being shown the justice of the limited ownership principle, could be induced to acquiesce to it and act upon it voluntarily. The fact that Dr. Pearson of Chicago distributed his fortune of \$7,000,000 before his recent death is an encouraging instance of what others might be induced to do. Among the first efforts of the Society therefore should be a campaign to convert as many as possible to the principle. Every time a man who possessed in excess of the limit agreed to dispose of the surplus, and did so, the cause of humanity would be advanced.

ASSISTANCE OF LABOR.—Both organized and unorganized labor should be urged to try to induce their employers to share profits with them. A minimum wage scale should be adopted and additional compensation asked for individual work-

ers according to their efficiency, as determined by the quality and quantity of their results.

Profit sharing should not be of the brand used by the steel trust which gives the employer an unjust hold on or power over men. It should be such as will foster loyalty and make for more harmonious relations between employer and employee.

POLITICAL PARTIES.—The formation of a new political party should be unnecessary to secure real reform. We need two great parties to balance each other, but there is no crying need for another. There are plenty of progressives in both parties. If a good percentage of these could be formed into a non-partisan society they could work as a unit for reform through that, and by still retaining allegiance to their respective parties exert a leavening influence in each. When the people want any reform and make a strong enough demand for it, they get it. And when the great parties see there is a demand for limited ownership it will be incorporated in their platforms.

INCOME AND INHERITANCE TAXES, both State and Federal, increasing rapidly in proportion to the amounts involved, should be advocated and their enactment urged. Also laws which will regulate and restrict the unjust actions of trusts, pools and combinations in restraint of trade, both great and small, and other progressive laws which will keep the power in the hands of the people.

SECURING THE AMENDMENT.—While much can be accomplished by the foregoing factors, The Amendment should ever be looked forward to and worked for as the desideratum. This should be hastened further by endeavoring to nominate and elect candidates to Congress who endorse the principle which underlies Individualism.

If the idea possesses the merit which so many forceful arguments indicate, and which history proves that it does, enough members of both branches of Congress will be elected eventually to pass The Amendment Resolution. It will then have to be

ratified by the legislatures of three-fourths of the States—and when that is done The Readjustment will take place.

The provision for this should contain at least these vital features:

(a) A reasonable time, say a year, should be given for each individual to adjust his affairs and dispose of his surplus wealth. He should be permitted to give it to his wife, children or friends, to divide it among his employees on a merit basis or any basis he chose, or to give it to religious, eleemosynary or educational institutions, or to dispose of it in any other legitimate way he wished.

(b) At the expiration of the stipulated time, if any be found who had not complied with the law, the surplus over the limit should be taken by the Government, put into the public treasury and used to pay the running expenses of the Government, thus reducing taxes and giving *everyone* the benefit.

It will be readily seen that this plan for The Readjustment does not at any point anticipate the summary taking property from one person and giving it to another. No one would get anything for which he did not labor any more than he does at present (except in case it should be given him *voluntarily* by an individual in disposing of his surplus).

The Testimony of History

There are a good many conservative people everywhere who look askance at new and untried theories of government. They serve a purpose—they act as a sort of balance wheel to that class who formerly were known as “radicals” or “cranks,” but who now seem to be coming into their own, being styled by the more respectable title of “progressives,” while the formerly so-called “conservatives” are now known by the somewhat stigmatic title of “reactionaries.”

For the benefit of all classes, however, it is a matter of considerable satisfaction to be able to cite the fact that limited ownership is neither new or untried, but was employed more than 2,000 years ago with most beneficial results.

There are numerous instances in ancient history of the periodical distribution of wealth. According to Aristotle, Phileas of Chalcedon, deeming property to be the turning point of all revolutions, was the first to affirm that the citizens of a State ought to have equal possessions. We learn from the Old Testament that there was a redistribution of wealth every half century, in the Jubilee year. Emile De Laveleye, in his splendid book, *Primitive Property*, points out numerous instances among the old Germans, Celts and others, in which an effort was made to maintain material equality by frequent redistributions and other means.

While all this is interesting to a certain degree, it is not altogether relevant to our purpose, since we do not believe in an exactly equal distribution of *wealth*, but in a sufficient balance to equalize *Opportunity*. We are, therefore, deeply concerned about the instances in which a limit above the per capita wealth has been set and the consequences thereof.

LIMITED OWNERSHIP IN GREECE.—Solon, who is conceded to be one of the greatest constructive statesmen of all

time, seems to have been the first of whom we have authentic information to limit accumulations. He did this about the year 594 B. C., when he gave Athens a new constitution. The subsequent history of Greece contains many instances in which the restricting law was enforced with beneficial results, and when Liberalism was in vogue dire effects ensued. In summing up his chapter on "Property in Greece," Laveleye says:

"In the other Greek republics we find the same economic evolution as at Sparta—the concentration of landed property, the advance of inequality, cultivation by slaves, whose number is continually increasing, and finally depopulation. When Greece became a Roman province it was transformed into a desert, where the flocks wandered at will, and wild beasts lurked in the ruins of temples and cities. At the end of the first century of our era, the population was so reduced that the whole of Greece could hardly produce 3,000 fully armed warriors, the number which Megara alone sent to the battle of Platea. Equality was the basis of Greek democracies; inequality was their ruin."

RESULTS IN ROME.—The Licinian laws prohibited anyone from pasturing more than a certain number of cattle or from possessing more than 500 *jugera* (about 375 acres) of public lands. The surplus of anyone owning more than that was distributed among the poor. The results which attended the enactment of these laws are given by M. Laboulaye in his *Des lois Agraires chez les Romains*, as follows:

"The century which follows the Licinian laws is the one in which the soldiers of Rome seem inexhaustible. Varro, Pliny and Columella continually refer to these great days of the Republic as the time when Italy was really powerful by the richness of its soil and the number and prosperity of its inhabitants. The law of the five hundred *jugera* is always quoted by them with admiration, as being the first which recognized the evil, and sought to remedy it by retarding the formation of those vast domains, or *latifundia*, which depopulated Italy, and after Italy the whole empire."

The "latifundia," or great estates, of Rome were made possible by favorable laws, or in some instances, the non-enforcement of laws, and in that respect their growth was not unlike

the development of immense fortunes of today. The great number of slaves which were owned was another factor in their evolution. In the time of Augustus one man owned over 4,000 slaves. In lieu of actual slaves today those of great wealth have the trusts by means of which they can derive practically the same results, being in a position to regain nearly all the wages paid through their power to regulate prices. In fact, they have a little the better of the Roman magnates, as they are not only able to make profits on their employees, but on the public at large as well. Another similarity between the formation of the *latifundia* and the trusts is in the killing of competition. Where freemen owned land they were sometimes bought out, but often driven out. Human nature does not seem to change much as the centuries roll on.

The Licinian laws were enforced and abrogated alternately over a long period, according as the "party" in power favored the people or the predatory interests, and "according to M. Mace," says Laveleye, "agrarian laws, that is to say, the distribution of public land among the citizens, produced the best results every time they were really carried into execution; and the aristocracy, by their opposition to them, caused alike their own ruin and that of the empire."

So strikingly does Laveleye describe the needs of the present from a study of the past that I cannot refrain from quoting his closing words on Roman property:

"The concentration of property in a few hands, by multiplying the number of slaves, dried up the natural source of wealth, free and responsible labour; and by destroying the sturdy race of proprietor cultivators, at once excellent soldiers and good citizens, who had given Rome the empire of the world, it destroyed the foundation of republican institutions. *Latifundia perdidere Italiam*, (Vast estates destroyed Rome.—Pliny) the irremediable fall of the Roman Empire justifies the phrase, which re-echoes through the centuries as a warning to modern societies. The French Revolution, and most continental legislation, has been inspired with the feeling which dictated the Licinian laws and those of the Gracchi. It endeavoured to create a nation of proprietors; such had been the actual result of primitive communities.

To-day, in presence of the democratic movement by which we are impelled, and of the equalising tendencies which agitate the labouring classes, the one means of averting disaster and saving liberty, is to seek an organization, which may confer property on all citizens able to labour."

Such is the conclusion of a modern historian after an exhaustive study of ancient conditions. And it is at least a remarkable coincidence that another writer, after studying modern conditions and tendencies, should have evolved the same solution as a corrective measure.

Since our trouble today is due to the same fundamental cause as in the case of Greece and Rome, and since human nature is the same now as then it must necessarily follow that the same principle properly modified to meet modern conditions would be as effective now as it was 2,000 years ago.

If when M. Laveye wrote his book some thirty years ago he had formed an organization which would have materialized his conclusion, the condition of his France and other countries might be different today. If we fail to do what he neglected I doubt not but the time will come when historians will be recording the fact that the modern *latifundia* destroyed our republic.

The time has come when the people should take a united stand against the machinations and those who are rapidly undermining the foundations of our government by destroying the opportunities of its citizens to enjoy "life, liberty and the pursuit of happiness." The Declaration of Independence unequivocally states, "That whenever any form of government becomes destructive to these ends, it is the right of people to alter or abolish it." There is no desire or need to *abolish* our government, but there is vital need to *alter* it as provided by the Constitution itself.

If, in view of the many arguments for limited ownership as applied to modern conditions set forth in this modest booklet and the remarkable testimony of history cited in support of it, you are convinced that action should be taken in this country as soon as may be to restore opportunity to all citizens by curbing the money power of individuals, you are invited to become a member of the proposed militant force for Our Country and Humanity—THE INDIVIDUALIST SOCIETY.



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